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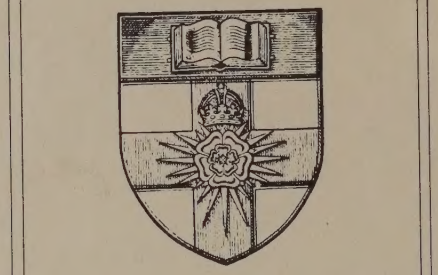

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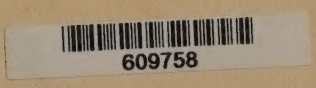
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REPORTS

FROM

COMMITTEES:

SEVEN VOLUMES.

—*(5.)*—

LAND TRANSFER BILL; LEICESTER WRITS;
LONDON WATER (TRANSFER) BILLS.

SESSION 1.—5 *February* 1895——6 *July* 1895.
SESSION 2.—12 *August* 1895——5 *September* 1895.

VOL. XI.

1895.

BIBL

REPORTS FROM COMMITTEES:

1895.

SEVEN VOLUMES:—CONTENTS OF THE

FIFTH VOLUME.

N.B.—*THE* Figures *at the* beginning of the line, *correspond with the* N° *at the foot of each* Report; *and the* Figures *at the* end of the line, *refer to the* MS. Paging *of the Volumes arranged for the House of Commons.*

LAND TRANSFER BILL:

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LEICESTER WRITS:

247. Report from the Select Committee on Leicester Writs; with the Proceedings of the Committee, Minutes of Evidence, and Appendix. 315

LONDON WATER (TRANSFER) BILLS:

384. Report from the Select Committee on the London Water (Transfer) Bills; with the Proceedings of the Committee, Minutes of Evidence, Appendix, and Index. 349

REPORT

FROM THE

SELECT COMMITTEE

ON THE

LAND TRANSFER BILL [H.L.];

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX AND INDEX.

Ordered, by The House of Commons, *to be Printed,*
2 *July* 1895.

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LAND TRANSFER BILL [H.L.].

Ordered,—[*Monday, 6th May* 1895]:—THAT the Bill be read a second time, and committed to a Select Committee.

Committee nominated—[*Thursday*, 16*th May* 1895]—of—

Mr. Attorney General (Sir R. Reid).
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Lambert.
Colonel Long.
Mr. Seale-Hayne.
Mr. W. F. D. Smith.
Mr. Tomlinson.
Mr. Tully.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Five be the Quorum of the Committee.

REPORT - - - - - - - - - - - - - - - - p. iii
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REPORT.

THE SELECT COMMITTEE appointed to consider the LAND TRANSFER BILL [H.L.];——HAVE agreed to the following REPORT:—

YOUR Committee are of opinion that, in view of the impending Dissolution of Parliament, it is not possible to complete the Evidence which bears upon the Bill referred to them.

They therefore consider that it is not desirable to proceed further, and they have agreed to Report the Evidence to the House.

2 *July* 1895.

PROCEEDINGS OF THE COMMITTEE.

Friday, 17*th May* 1895.

MEMBERS PRESENT:

Mr. John Ellis.
Mr. Thomas Henry Bolton.
Mr. Tomlinson.
Mr. Attorney General.
Mr. Wayman.
Mr. Wickham.
Colonel Long.
Mr. Greene.
Mr. Seale-Hayne.
Mr. Tully.
Mr. W. F. D. Smith.
Viscount Folkestone.
Mr. Haldane.

Mr. Attorney General was called to the Chair.

The Committee deliberated.

[Adjourned until Monday next, at Twelve o'clock.

Monday, 20*th May* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. Thomas Henry Bolton.
Mr. Wickham.
Mr. Tully.
Mr. John Ellis.
Mr. Warmington.
Mr. Greene.
Mr. Tomlinson.
Colonel Long.
Viscount Folkestone.
Mr. W. F. D. Smith.
Mr. Seale-Hayne.
Mr. Wayman.
Mr. Haldane.
Mr. Lambert.

The *Lord Chancellor*, attending by permission of the House of Lords, was examined.

[Adjourned until Thursday next, at Two o'clock.

Thursday, 23*rd May* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. Thomas Henry Bolton.
Mr. Wickham.
Mr. Wayman.
Mr. Tomlinson.
Viscount Folkestone.
Colonel Long.
Mr. Haldane.
Mr. Greene.
Mr. John Ellis.
Mr. Seale-Hayne.
Mr. Tully.

Mr. *Edward Parker Wolstenholme* was examined.

[Adjourned until Monday next, at Twelve o'clock.

Monday, 27*th May* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. Thomas Henry Bolton.	Mr. Tomlinson.
Mr. Seale-Hayne.	Mr. Greene.
Mr. Wickham.	Mr. John Ellis.
Mr. Wayman.	Mr. Haldane.
Viscount Folkestone.	Mr. Tully.
Colonel Long.	

Mr. *Edward Parker Wolstenholme* was further examined.

Mr. *John Hunter* was examined.

[Adjourned until Thursday next, at Twelve o'clock.

Thursday, 30*th May* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. John Ellis.	Mr. Tomlinson.
Mr. Thomas Henry Bolton.	Colonel Long.
Mr. Warmington.	Viscount Folkestone.
Mr. Wickham.	Mr. Haldane.
Mr. Greene.	Mr. Seale-Hayne.
Mr. Wayman.	Mr. Lambert.

Mr. *John Hunter* was further examined.

Mr. *William Henry Atchly*, Mr. *Thomas Charles McKenzie*, and Mr. *Cornelius T. Saunders* were examined.

[Adjourned until Monday, 10th June, at Twelve o'clock.

Monday, 10*th June* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. John Ellis.	Mr. Wayman.
Mr. Thomas Henry Bolton.	Mr. Warmington.
Mr. Wickham.	Mr. Haldane.
Mr. Greene.	Mr. W. F. D. Smith.
Mr. Tomlinson.	Mr. Seale-Hayne.
Colonel Long.	Mr. Lambert.

In the absence of the Attorney General, Mr. John Ellis took the Chair.

Mr. *Cornelius T. Saunders* was further examined.

Mr. *Charles Bennett*, Mr. *William J. Bonser*, Mr. *Arthur Russell*, and Mr. *George William Marsden* were examined.

[Adjourned until Thursday next, at Twelve o'clock.

Thursday, 13*th June* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. Thomas Henry Bolton.	Viscount Folkestone.
Mr. Wickham.	Mr. Wayman.
Mr. W. F. D. Smith.	Mr. Seale-Hayne.
Mr. John Ellis.	Mr. Haldane.
Mr. Tomlinson.	Mr. Lambert.
Mr. Warmington.	Mr. Greene.
Colonel Long.	

In the absence of the Attorney General, Mr. John Ellis took the Chair.

Mr. *Benjamin Greene Lake* was examined.

[Adjourned until Monday next, at Twelve o'clock.

Monday, 17*th June* 1895.

MEMBERS PRESENT:

Mr. Attorney General in the Chair.

Mr. Thomas Henry Bolton.	Mr. Tomlinson.
Mr. Wickham.	Colonel Long.
Mr. W. F. D. Smith.	Viscount Folkestone.
Mr. Haldane.	Mr. Wayman.
Mr. Seale-Hayne.	Mr. Warmington.
Mr. John Ellis.	Mr. Greene.

Mr. *Samuel Ogden Ward* was examined.

Mr. *Benjamin Greene Lake* was further examined.

Room cleared.—The Committee deliberated.

Motion made, and Question put, "That the witness be allowed to answer the question, and to put in the list handed to him to be entered in the evidence"—(Mr. *Bolton*).—The Committee divided:

Ayes, 4.	Noes, 8.
Mr. Thomas Henry Bolton.	Mr. John Ellis.
Mr. Greene.	Viscount Folkestone.
Mr. Tomlinson.	Mr. Haldane.
Mr. Wickham.	Mr. Seale-Hayne.
	Colonel Long.
	Mr. W. F. D. Smith.
	Mr. Warmington.
	Mr. Wayman.

Witness recalled, and further examined.

[Adjourned until Thursday next, at Twelve o'clock.

Thursday, 20*th June* 1895.

MEMBERS PRESENT:

Mr. ATTORNEY GENERAL in the Chair.

Mr. John Ellis.	Mr. Tomlinson.
Mr. Thomas Henry Bolton.	Colonel Long.
Mr. Wayman.	Mr. W. F. D. Smith.
Mr. Haldane.	Mr. Lambert.
Mr. Seale-Hayne.	Mr. Wickham.
Mr. Greene.	Mr. Warmington.

Mr. *Benjamin Greene Lake* was further examined.

Mr. *Arthur Middleton*, Mr. *Charles Henry Morton*, Mr. *Robert Pybus*, and Mr. *Frederick Seebohm* were examined.

[Adjourned until Monday next, at Twelve o'clock.

Monday, 24*th June* 1895.

MEMBERS PRESENT:

Mr. ATTORNEY GENERAL in the Chair.

Mr. Thomas Henry Bolton.	Viscount Folkestone.
Mr. Wickham.	Mr. Tomlinson.
Mr. Wayman.	Mr. Greene.
Mr. Haldane.	Mr. Warmington.
Mr. Seale-Hayne.	Mr. John Ellis.
Colonel Long.	

The Committee deliberated.

[Adjourned until Tuesday, 2nd July, at Twelve o'clock.

Tuesday, 2*nd July* 1895.

MEMBERS PRESENT:

Mr. ATTORNEY GENERAL in the Chair.

Mr. Thomas Henry Bolton.	Mr. Tomlinson.
Mr. Wickham.	Mr. Warmington.
Colonel Long.	Mr. W. F. D. Smith.
Mr. Greene.	

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:

"Your Committee are of opinion that, in view of the impending Dissolution of Parliament, it is not possible to complete the Evidence which bears upon the Bill referred to them.

"They therefore consider that it is not desirable to proceed further, and they have agreed to report the Evidence to the House."

DRAFT REPORT read a second time, and *agreed to*.

Question, That this Report be the Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with the Minutes of the Evidence, and an Appendix.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	PROFESSION OR CONDITION.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
William Henry Atchly -	Solicitor - - -	Bristol - - -	2	4 4 –	2 1 –	6 5 –
Thomas Charles M'Kenzie -	Solicitor - - -	Sunderland - -	2	4 4 –	3 19 8	8 3 8
Cornelius T. Saunders - -	Solicitor - - -	Birmingham - -	4	8 8 –	3 14 6	12 2 6
Charles Bennett - - -	Gentleman - - -	Nottingham - -	2	2 2 –	1 17 8	3 19 8
Samuel Ogden Ward - -	Banker - - - -	Oldham - - -	2	2 2 –	2 15 4	4 17 4
Arthur Middleton - -	Solicitor - - -	Leeds - - -	2	4 4 –	2 16 6	7 – 6
Charles Henry Morton -	Solicitor - - -	Liverpool - -	4	8 8 –	6 3 6	14 11 6
Robert Pybus - - -	Solicitor - - -	Newcastle-upon-Tyne	3	6 6 –	4 1 6	10 7 6
					£.	67 7 8

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Monday, 20th May 1895.

MEMBERS PRESENT:

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Mr. Lambert.
Colonel Long.
Mr. W. F. D. Smith.
Mr. Tomlinson.
Mr. Tully.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

MR. ATTORNEY GENERAL IN THE CHAIR.

THE LORD HIGH CHANCELLOR OF GREAT BRITAIN (attending by permission of the House of Lords); Examined.

Chairman.

1. THIS Committee has been appointed to consider the Land Transfer Bill, which has come down from the House of Lords, and we were anxious to hear from your Lordship your views with regard to the Bill; can you tell us the history or give an account of the genesis, so to speak, of the Bill?—A Bill on the same lines was introduced by the late Lord Chancellor. It went further than the present Bill in the way of compulsion, inasmuch as it proposed that registration should be compulsory on any transfer, whether by way of transaction *inter vivos* or on the death of the owner of the land.

Mr. *John Ellis.*

2. Would you give the Committee the date that Bill was introduced?—It was in the year 1887. That Bill was referred to a Select Committee in the House of Lords, and was considered by that Committee at a number of sittings, every detail of it being carefully examined. The Bill was ultimately lost upon a division, which had not reference to the scheme of land registration, but was on a part of the Bill having reference to the devolution of real estate on the death of the owner. The objection taken to that Bill in the House of Lords, I think, had relation chiefly, and almost exclusively, to the proposal that registration should be compulsory on transmission by death. Accordingly, when I introduced the Bill for the first time in 1893, I thought it was better to confine the compulsory provisions to transfers *inter vivos*, where there was a transaction by way of sale, and where there must, therefore, necessarily be some conveyance at present.

Chairman.

3. I find, in a book that I have before me containing a summary of what has happened, that a Land Transfer Bill was introduced in 1887 by Lord Halsbury in the House of Lords, and then it was read a second time that year and was passed by the House of Lords on 12th July 1887; I do not know whether that is accurate?—Yes, I believe that is so.

4. It was introduced into the House of Commons in August 1887, and it did not proceed further. In 1888 a Bill was introduced re-enacting the Land Transfer Act of 1875, with the Amendments embodied in the Bill of 1887. Is that accurate?—I believe that is so.

5. In fact, it was a re-editing and a revision, in some sense a Consolidation Bill, and in another sense an Amendment Bill. It was referred to a Select Committee of the House of Lords in that year. I believe the Committee in the House of Lords lasted a year or two years, did it not?—I do not remember how long it sat. I know there were a great many sittings.

6. You yourself were present, were you not, at the sittings of that Committee?—Yes, I was present. The late Lord Selborne was also present, as well as the Lord Chancellor, and took an active part in the discussions.

7. Was the Bill approved by the Select Committee?—Yes.

8. It was Lord Halsbury's Bill, and Lord Selborne and other lords were on the Committee?—Yes. It was very considerably altered in the Select Committee; when it left the Committee it differed a good deal from its original form.

9. Did Lord Halsbury introduce the Bill again in 1889?—Yes.

10. Then

Chairman—continued.

10. Then this Bill is based upon the Bill that was introduced by Lord Halsbury, as amended by the Select Committee?—It is; only, as I said, the provisions which related to compulsory registration on transmission by death were omitted.

11. Did the principle, so far as it is contained in this Bill now before the House of Commons, meet with objection in the House of Lords, or elsewhere, so far as you are aware?—It certainly did not meet with objection in the House of Lords; because this Bill has more than once passed through the House of Lords with absolute unanimity.

12. Have you found there was any objection outside?—I have had objection only from two quarters. I have received a great many communications on the subject, naturally, as one does when in charge of a Bill of this description. The objection at one time came from the bankers and from solicitors. The bankers' objection was that an equitable deposit would not be as simple and satisfactory a proceeding under the Bill as it had been down to this time. But after hearing the views of the bankers, I introduced a provision (I think for the first time last year; but, at all events, it is in this Bill also) to meet the difficulty which they raised; and, so far as I can tell, they are generally satisfied with the provision; I know many of them are, and I believe that is the general view. The provision is to the effect that anyone wanting to raise money, or anticipating the necessity of raising money, can obtain a special certificate from the Land Registry Office, and no subsequent transmission can take place without the production of that special certificate. The consequence is that if a banker obtains that certificate, he obtains a better security, in truth, than he would by an equitable deposit, because he knows that the person is on the register; that the land cannot be transferred to anybody else but himself, and is free from some of the risks attending an advance on a deposit of title-deeds. I think, therefore, that the objection taken by the bankers has been substantially met; or, at all events, if it is not completely met by this provision (which I have reason to believe it is), there would be no difficulty, I think, in completely satisfying them.

13. Then you mention that there was objection taken by the solicitors?—The solicitors objected largely (not universally, but I should say the great majority of them, so far as I am aware) to the principle of land registration at all. They maintained that the present system was a satisfactory system, and that matters would become worse, and not better, if a system of registration were adopted. They objected altogether to the compulsory clauses, contending that the only object of the Bill was to compel people to do that which they had shown themselves unwilling to do, and that if the system was a good one people would voluntarily register; that they did not register because it was a bad one; and that it was an attempt by an Act of Parliament to compel them to adopt a bad system; and they enforced those contentions by strong objections to the system of officialism, by which work which should be done, or was being done, by professional men was to be done hereafter by public officials. I think that summarises fairly enough their objections.

14. What do you say in regard to the present system being a satisfactory system; should you consider it a satisfactory system?—I think it is not a satisfactory system. I do not think it is a system which anybody would dream of establishing nowadays; and wherever, so far as I am aware, a change has been made from the system which now exists in England to the system of registration, there seems complete satisfaction, on the whole, with the new system, and no desire to revert to the system which previously existed; which seems to me to afford considerable evidence in favour of the change. I am speaking, of course, chiefly of the Australian colonies.

15. Is there, under the present system of private deeds, an opportunity for fraud and forgeries?—There is, no doubt, an opportunity, and no doubt that opportunity is taken advantage of; that is absolutely certain. Of course it is said there will be an opportunity for fraud under the system proposed by this Bill, and it is suggested that the opportunity would be greater. That is a matter of opinion, to some extent. So far as my opinion goes, I confess I think the opportunity is not likely to be nearly as great. And, further, the scheme of the Bill, by a system of insurance, provides that if there is fraud, at all events there shall be some compensation to the person defrauded for his money loss, while there is none at present. The experience in the Australian colonies (and I think I am right in saying in New Zealand also) goes far to show that frauds are not likely to prevail. I do not know of any reason why there should be less disposition to fraud in the Colonies than in England; and, after many years' working now in the Colonies, it is shown that claims upon the insurance fund are absolutely insignificant.

16. Apart from the liability to fraud under the present system, is it, at all events in many cases, necessary to investigate the title anew upon each transfer and sale of land?—No doubt it is often so necessary. I quite admit, in many cases, it is not necessary. For instance, where you have previously had a title investigated, and the second matter is carried out through the same solicitor, the former investigation is often taken as sufficient; that I quite admit. But I think there has been, perhaps, rather a tendency to compare what I will call the best cases of the present system with the worst cases of the new system, and not to compare what would be the state of things as a whole under the present method and under the proposed method of transfer.

17. Perhaps it would assist the lay members of the Committee if I were to ask you generally what is the substance of the change proposed in this Bill. It is based upon Lord Cairns' Act of 1875, is it not?—It is based upon Lord Cairns' Act of 1875. All that it proposes to make compulsory is that after the Act passes, and after it has been applied in any particular district on the first transfer, there should be compulsory registration at the least of a possessory

Chairman—continued.

sory title. No one is to be compelled to register more than a possessory title; he may, if he pleases, register with an absolute title; but that is not made compulsory by the Bill; all that he is obliged to do is to register the possessory title; after the title is once registered, then all transfer must be effected by entry in the register, whether by way of conveyance or mortgage.

Mr. *John Ellis.*

18. You are now referring to Clause 1 of the Bill?—Yes.

Chairman.

19. Under Lord Cairns' Act, upon which this Bill is engrafted, the title registered may be either an absolute title or a possessory title?—Yes.

20. An absolute title is a title good practically as against the world after examination by the registrar?—Yes

21. A possessory title merely shows that the registered proprietor is actually himself in possession?—Yes; of course a possessory title is no security against any defect prior to that date; but when once it is on the register it is a security as to anything subsequent to that date, because after that there can be no title acquired except through the register.

22. Therefore his title goes on maturing and improving year by year?—It goes on maturing year by year; and when it has been a certain number of years on the register I have no doubt it would come to be regarded as very nearly as good as an absolute title.

23. In order to follow that out let me put this: supposing (if one could imagine it) that to-day all the proprietors in England were to register possessory titles; then, in the course of 30 or 40 years, at all events, those titles, or nearly all of those titles, would have matured into absolute titles?—Yes; because at present a man can require a 40 years' title, if there is a sale without any condition. But there is hardly ever a sale without conditions. Every sale, almost, is made subject to the condition that you shall not require a title beyond a certain date; and, of course, if you have sold subject to such a condition, after the land had been on the register for 20 or 30 years, I have no doubt it would be readily sold, with the condition that you should not go back beyond the register. But, of course, when it was once on the register, you would not need to go back before the date when it was on the register. As to all transactions after the date when it was on the register, all you would have to consider would be the register. You need only go back to the prior title, so far as you wanted to be satisfied with the title, at an earlier date before it came on to the register.

24. At any rate, after the lapse of 40 years, all these possessory titles would be complete in law, and perfect, would they not?—Yes, for all practical purposes.

25. I omitted to ask this question: with regard to the absolute titles which are registered at once as being valid and complete, there is power under the Act, 1875, to put particularly indicated qualifications upon an absolute title; what is called a qualified title?—Yes; that is so exceptional that I have not said anything about it.

Chairman—continued.

26. Generally speaking, the two titles are the absolute and the possessory titles?—Yes.

27. That is the first point of the Bill, viz., registration of title, either absolute or possessory upon sale. In addition to that there is another principle; that of insurance?—Yes.

28. Will you kindly explain to the Committee what is the general purport of that?—A certain fee provided for in the Bill (a very small fee indeed) is to be charged which goes to form an insurance fund; and if it turns out that, owing to fraud, there has been a person registered who ought not to be registered, and there is pecuniary loss, then the fund is used to afford pecuniary compensation to the person suffering. There is a provision which enables the court, if it thinks that is the more equitable course, to restore the property to the person whose name ought to be, but is not, on the register, and to pay compensation to the person who in that way it dispossessed. Power is given to the court to determine in what cases it would be right and equitable that that should be done. Otherwise the person on the register would be left on the register, and the compensation would be given to the person who ought to be on.

29. So that in case any person buys land on the faith of the register, and it turns out that something is wrong, and he does not get the land he wants, he would get compensation instead of it; or it may be that the person who sells the land would have the compensation?—Yes; the one or the other would get compensation.

30. You say it is only a small fee; would you tell us what it would amount to?—The scheme for the insurance fund is contained in the Schedule: "On first registration with absolute or qualified title, such fee as may be prescribed not exceeding one farthing in the pound on the capital value of the land;" and the same on the transfer of registered land for valuable consideration.

31. That is 2*s.* 1*d.* on a capital value of 100*l.*?—Yes.

32. You referred just now to the existence of such a system of insurance in the Australasian Colonies?—Yes.

33. You said there had been a perfectly insignificant demand upon that fund, and that it now very largely exceeds the calls made upon it?—Of course it is not a very large amount; but, in proportion to the calls that have been made upon it, it largely exceeds the necessity of the case.

34. Is there any other point you wish to call our attention to?—I should like to call attention to this point: the Bill does not propose that the scheme should come into immediate operation throughout the country. That would be impracticable. It proposes only that it should come into operation in districts defined by Order in Council from time to time; and, of course, the experience that would be acquired in any particular district would enable those who had to deal with the matter to see how far it would be practicable to bring it into operation quickly in other districts, and what kind of staff would be necessary, and what arrange-

Chairman—continued.

ments would have to be made. Moreover, I should like to call attention to this fact, that the system of compulsion in relation to the transfer of land is not new; the compulsion exists at present in two counties, in Middlesex and Yorkshire. There you have compulsory registration of deeds, not compulsory registration of title, but nevertheless the principle of compulsion is there with a view to preventing frauds on the transfer of land.

35. The registration of deeds is effective, or at least largely effective, for the prevention of frauds, I suppose?—Yes, it is believed to be so.

36. In the opinion of the best authorities, has that system of registration of deeds been comparatively discarded lately; has it given place to the registration of title?—I think those who have given attention to the subject believe that a system of registration of title would afford greater security, and would have many advantages that the system of the registration of deeds has not.

37. The system of registration of deeds exists in Scotland, I believe?—Yes.

38. And in many countries, I believe; but the system of registration of title exists mainly in the Australasian colonies?—It exists in various foreign countries also. I believe in Prussia a system of registration of title has comparatively recently, within the last 25 years, been established.

39. In Prussia it was established under the Act of 1872, I think?—Yes. I may say that when I was in Austria some years ago I had a good deal of conversation with the Minister of Justice on the subject of the registration of title which had prevailed in Austria for many years, but which had been established in Hungary only comparatively recently. He told me that there had been at first great objection to a system of registration in Hungary by the landowners, and that one strong objection that they had was to anything like publicity in relation to their dealings with land. However, the system was established, and he informed me that the opposition to it had entirely died away, and that many of those who had been opposed to it were warm advocates of it; they said that they found it had greatly facilitated their obtaining advances from bankers; that when all that the banker had to ascertain was what amount of charge there was upon the land in the register it facilitated so much the obtaining of advances that even those who had opposed it before had come to the conclusion that on the whole it had been a good thing for them.

40. Under this Bill is secrecy to be maintained in the registration?—Under this Bill it is proposed that secrecy should be maintained.

41. It is so under the Act of 1875, is it not?—Yes.

42. So that the registration of any title under this Bill, if it was to pass into law, would not expose any landowner who did not desire it to any publicity in regard to his transactions in land?—Quite so. In Hungary it was part of the system that it should be public. But that is not necessarily part of the system at all. What I wanted to point out was that, in spite of the publicity there, and objection on account of

Chairman—continued.

publicity, that disadvantage was, in the opinion of those who did not like publicity, more than outweighed by the advantage of the system.

43. Is there any other main provision in the Bill to which you think it would be desirable to draw attention?—I think the main provisions of the Bill have been already alluded to. I should like to say one word only with regard to the officialism, the opposition to which is a leading feature in the case of the solicitors. I have stated already this year, before the Select Committee on the Trusts Administration Bill, that with the general objection to officialism I have considerable sympathy. I am not an advocate of the Government undertaking to do any class of business which might well be done by those who belong to any particular profession or calling; but, of course, to a system of this kind officialism, to some extent, is essential. The work which it is proposed should be done by officials under this Bill is work which solicitors could not do. The alteration of the method of transfer of land by substituting for the present system a register can only be carried out by means of some public officials. But certainly, in the working of the Act, except so far as it was essential, I should have no desire, but quite the contrary, to see officialism take the place of the profession.

44. In regard to the effect of the Bill, may I put to you an illustration, so as to make it clear to the Committee what the effect would be if I rightly understand it: supposing the title to the fee simple of certain land was registered in a particular person, and it was registered as an absolute title, and supposing he did not deal with it in any way, nor were there any incumbrances upon it, but supposing he wishes to sell it one, or two, or three, or ten, or twelve, or any number of years afterwards, according to this Bill that sale could be effected, could it not, by a simple entry in the register of the name of the purchaser instead of the name of the seller, without any deed whatever?—Yes.

45. And without the intervention of any person, solicitor or otherwise, and without any costs?—That would be so. The only costs would be the office fees and any incidental expenses, as *e.g.* for maps.

46. To the extent to which titles become absolute upon the register, and are sold without encumbrances, all the cost and trouble of conveyancing would be absolutely obliterated?—It would be so; of course it would not do away with the solicitor's work, because, in a great many cases, people want to create equitable rights, and equitable interests, trusts, and covenants, and a variety of provisions of that sort, where, of course, a solicitor would be employed as at present. But for a simple case of mere transfer, nothing more would be necessary than entry in the register.

47. Of course mere transfers of the fee simple with absolute title would represent, you might say, a comparatively small part of the transactions in land; there would be a large number of cases of mortgages, and encumbrances, and settlements, and so forth?—Yes; but an ordinary mortgage would be done by entry in the register in exactly the same way.

You

Chairman—continued.

You would simply enter under the particular heading the amount of the charge that was created; that is all that would be necessary; and anyone could ascertain, on obtaining the authority of the persons interested, by looking at the register, how much was at present charged upon the land, and if he had his charge entered next, no charge but those which he had seen in the register could come before his.

48. In the case of a simple mortgage of the fee simple with an absolute title, in the same way as with a sale of a fee simple with an absolute title, the transaction might be carried through upon the register without any deed?—Yes.

49. It is only when the more complicated dealings with land arise that the intervention of a solicitor would be imperative; though probably most people would continue to consult their solicitors in these matters?—Yes; I should like to say one word with regard to the suggestions that the Bill endeavours to compel people to do that which they are unwilling to do. The fact that people can register with a possessory title I imagine is very little known at present to the general public. A man purchases a piece of land, and he puts it into the hands of his solicitor to complete it. The fact that it could be put with a possessory title on the register at the time is probably unknown to him, and his attention would in many cases, and probably in most cases, not be called to the fact by the solicitor whom he employs to complete the transaction, who completes it in the ordinary way. Consequently, when it is said that the present system of registration has been little taken advantage of (although it has been taken advantage of to a much greater extent, I think, than is often supposed) I cannot admit that that is any indication of objection on the part of the public to the system. It really results, I believe, in the main from absolute ignorance of the fact that you can register a possessory title or that there is any advantage in doing so.

50. The Act of 1875 is wholly optional, is it not?—Yes.

51. You said just now it had been taken advantage of more than was supposed. I daresay you have not statistics on the point?—I have not.

52. In point of fact, it has been much more taken advantage of within the last two or three years, has it not?—Yes, I believe so.

53. Although not to the extent it was hoped at one time it would be taken an advantage of?—No. That, I think, is accounted for by what I have called the attention of the Committee to.

Mr. *Bolton.*

54. I suppose this Bill is rather an inheritance which your Lordship has taken with your great office than a measure of your own?—I do not know that I can say that: because I have been warmly in favour of this system, or some such system as this, for a long time past.

55. I am sure your Lordship will not consider me rude in putting this question; but may I ask whether you have had any experience, personally, in conveyancing practice and dealings with land, while at the Bar or since?—I do not know that I could say I have had much experience in conveyancing practice. The only time I had any constant experience of it was during the years of pupilage with a conveyancer.

55.* That is some years ago?—Yes, that is some years ago.

56. Prior to the great reforms that have taken place under Lord Cairns' Act?—Yes; but I am of course aware of those reforms.

57. I believe Lord Cairns (who was a great authority) stated before the Committee of 1878–79, that the transactions in land at that time amounted to about a thousand a day. I should like to compare the result of that with some Parliamentary Returns, which I will hand to your Lordship, from 1861 to 1881, a period of 20 years, during which there has been experience of this system of registration. According to Lord Cairns' calculations there would be something like 300,000 transactions a year, or 6,000,000 in all. During that time is your Lordship aware that only 488 properties had their titles voluntarily put on the register which was set up, and that of those 131 were taken off the register between 1861 and 1881?—I do not know. That would be chiefly under the earlier Act.

Chairman.

58. They could not be taken off the register under the Act of 1875?—The Act of 1875 made very considerable alterations, and no doubt there were difficulties under the earlier Act which were not felt under the Act of 1875.

Mr. *Bolton.*

59. Out of this enormous number of transactions, only 357 properties during those years were put permanently upon the register?—I daresay it may be so.

60. The Parliamentary Returns upon which I am basing my questions are, severally, the Land Registry Return for 1878, No. 63; for 1879, No. 134; and for 1882, No. 334?—The Return of 1882 gives the figures for 1881, I presume.

61. It stops at 1881; but the Returns that continue those accounts, show that as late as 1887, the receipts of the Land Registry for fees for transacting business connected with the registration of title (excluding 250*l.*, an annual fee paid to them by the Land Securities Company) amounted to only 513*l.*; showing that the business of the office up to that date was gradually diminishing?—Then they must have since that date very largely increased.

62. Yes; but since that time the office has had other business handed over to it?—Yes, but the fees for land transfer, unless my memory deceives me entirely, must have very largely increased since that time.

63. I think not so much as your Lordship supposes. However the Returns will show. In 1888 the Land Registry Office was established as an office for searching for land charges, and in 1892 the business of the Middlesex Registry was transferred to the Land Registry Office, and then of course, as your Lordship has said, the receipts very largely increased?—Yes, because they had the deed receipts.

Mr. *Bolton*—continued.

64. Are you aware that up to that time the office was a loss to the country of something approaching 100,000*l.*?—I do not know. No doubt there was very great opposition to registration by very powerful opponents, and I quite understand there was very little registration.

65. Can your Lordship quote any instance in which Parliament has imposed upon private persons the compulsory use of some particular machinery for transacting their private business, after such machinery has been available to the public voluntarily for over 30 years, and practically no one has been willing to avail himself of it?—I do not know any other instance at all parallel to this, where the whole of the work has been in the hands of a professional class upon whose communication of the fact probably the public knowledge of the existence of the system depends, and who have been opposed to the system I will suppose entirely conscientiously, and therefore have not been likely to make any communication to their clients which would favour its adoption. There seems to me to be no parallel case to which I can refer in those respects either.

66. Your Lordship would hardly suggest that the class of persons for whom the profession acted were utterly incapable of appreciating a system of this kind, if they knew of its existence?—May I give an instance in my own case. I purchased a small piece of land two or three years ago, and I put it into the hands of my solicitor to complete the purchase. The existence of the system of registration never crossed my mind—one has many things to think about—and I simply left it to my solicitor; if I had thought about it I should probably have told him to put it on the register, but I did not, and therefore I conceive there may be persons in the same position as myself.

67. May I ask your Lordship whether this scheme is promoted in the interest of landowners?—It is promoted in the interest of the public. I think all those who have dealings in land would be likely to benefit from it.

68. That is, of course, your Lordship's opinion only?—That is my opinion. All I can appeal to in support of that opinion in the way of evidence is the experience in places where the system has been adopted.

69. Then your Lordship thinks the public are utterly ignorant of the advantages which this system would give them?—I think they are, very largely.

70. Lord Cairns' original idea in his Bill was a compulsory system, I believe; but is your Lordship aware of the reasons which induced him to alter his proposal?—Yes.

71. Is your Lordship aware that the very strongest representations were made to him on behalf of small owners of properties, and persons dealing in small properties, against the application of this principle of compulsion to small properties?—I am not aware who the representations came from.

72. But, at last, was not it the fact that Lord Cairns came to the conclusion that this system of registration was wholly inapplicable to small properties?—I do not know.

73. Did he not, as a fact, propose to exclude from the Bill all properties under 300*l.* in value?—Yes; I believe at one time there was a proposal of that sort. But I think there is no class more concerned in dealing with small properties than the building societies; and some of the strongest representations I have received in favour of this Bill have come from the building societies.

74. Will your Lordship kindly give us the particulars of any representations you have received from that quarter?—I cannot give them to you at the moment, because I have not got them here; but there is an association of the building societies, and it was from them that the representations came. There were also some articles on the subject written, I think, in a building society's journal. I am speaking only from memory.

75. Was not it a fact that it was in consequence of the practical difficulties of a system of registration especially as applicable to small properties that Lord Cairns turned his attention to the reform of the system of conveyancing on the lines of transfer of property by deed?—I am not aware of that.

76. Did he not drop the registration proposals in the compulsory form and take up the reform of the transfer of property by deed?—He adopted a voluntary system, and he also introduced measures for simplifying conveyances; but I do not know that the one was connected with the other at all.

77. He did not proceed to import compulsion into his land transfer legislation, but on the other hand dealt with the transfer of property by deed?—He did. But I do not suppose anybody imagines that a system of compulsory transfer could come into general operation and apply to all properties for a very long time to come. I imagine if Lord Cairns had adopted a measure such as is now before this Committee, he would have thought it equally necessary to pass all these other measures relating to the conveyance of land, because they would have been necessary in a great number of cases for a great many years to come.

78. Interpreting Lord Cairns' opinion by his action, he dropped the compulsory provisions of his Bill and made his measure voluntary, and then proceeded to make large reforms in conveyancing law on the lines of transfer by deed?—Yes; but I am not at all satisfied that the last had any necessary connection with the first. I think he would have made all these alterations in the conveyancing law equally, even if he had adopted a system that was to procure compulsion.

79. I suppose your Lordship will admit that Lord Cairns' great measures, the Conveyancing Act, the Settled Land Act, and the Solicitors' Remuneration Act, and this other Act, which, taken together, constitute almost a code of property law, are enormous reforms in connection with land transfer?—Yes, I think they are.

80. Have they not practically reduced conveyancing to very simple proportions in the *modus operandi*?—No doubt it is much simpler than before.

81. Would not your Lordship go further than that;

Mr. *Bolton*—continued.

that; would you not say that it has been enormously simplified?—No; because while that which passes the land from the one to the other, the conveyance, is no doubt a much simpler deed than it used to be, it does not affect the question of the title to make that conveyance.

82. Your Lordship will forgive me for presuming to make a correction as to a previous answer of yours, but there has been the reduction of the period of title from 60 years to 40 years; is not that also important?—That makes some difference, no doubt.

83. And there were many other similar reforms; has your Lordship considered the difference between the trouble in a simple case of transferring freehold property by deed and by register?—Yes.

84. What is the saving of trouble by transferring by register?—If you speak merely of a simple transfer, I do not suppose there would be a very great saving in many cases.

85. Is there any material or appreciable shortening of documents?—There would be some shortening of documents; because all you would need would be the authority to make a transfer upon the register, and the transfer would be made. But it is not merely the instrument that is in question.

86. But, on the first dealing with land, if it is registered with a possessory title only, and, in fact, on every dealing with land until it is registered with an absolute title, an abstract of title would have to be delivered under the system of transfer on the register, would it not?—I should think after very few years you would not have any abstract at all, judging from the conditions under which people buy at present.

87. Abstracts of title are very short now, are they not, where there is a simple case of dealing with freehold property?—Some are short, no doubt.

88. I have here an abstract of title which is in a not very exceptional case, dealing with property of the value of 30,000*l.*, and it consists of eight brief sheets. I do not know whether your Lordship considers that a very elaborate title?—No; but I should doubt if that was an average specimen of the mode of dealing with a property of 30,000*l.*

89. The draft conveyance of that property is comprised on two sheets of draft paper; would your Lordship consider that a very elaborate document?—No.

90. Would any system of registration enable property of that magnitude to be dealt with in a simpler way?—It would be somewhat simpler; if you take a case where you have such a short document as that, no doubt it would not make very much difference.

91. But on the first registration of a possessory title, the person who registers gets no advantage whatever; he merely makes an entry of his name and his property in the book?—Yes. On the other hand, he is put to no expense. Instead of a conveyance he would get it entered upon the register, at least without its costing any more than a conveyance, and with this advantage, that when it is on the register he has a simple method of transfer in all cases thereafter.

92. Would he have to pay any insurance fee?

Mr. *Bolton*—continued.

—I do not think he would on merely registering, in the first instance, with a possessory title.

93. Would he get the benefit of insurance?—I do not at the moment remember whether he would do so in the first instance. If he paid the insurance fee, he would get the benefit; but I do not know whether that would be so in the first instance with a possessory title; I think that is not proposed in the Bill.

94. Then he would be exposed to all the risks of registration without getting any insurance, would he not?—He would be exposed to no risk. He would get something, and lose nothing, so far as I can see. I do not understand what risk he would be subjected to.

95. Supposing, for instance, a fraud was committed after his name was entered on the register?—I do not see how that could affect him.

96. Then the register would not be the sole source of the title?—I do not quite see the sort of case you propose putting.

97. Supposing a man registers his property with a possessory title only, thereupon his property is a registered property, and must be dealt with as a registered property. Surely if the register is to be of any value, that must confer a right to deal with the property as registered property?—Yes.

98. If the register is to be the sole title-deed, surely there is considerable risk?—I do not see that there is considerable risk. I think experience proves that there is not considerable risk.

99. Take, for instance, a deposit certificate; a man registers his property with a possessory title, and applies for a deposit certificate; the deposit certificate is given to him, and a banker lends money upon it. What is to happen, supposing the title is bad?—Exactly what happens now. The mere registration does not give him a better title than he had before registration with a possessory title.

100. Then the register is perfectly useless in the case of possessory titles?—I do not see that.

101. Except as a mere machinery for conveying the land?—It does not strike me so.

102. Subject to your Lordship's correction, I do not see what benefit the man gets by registering merely a possessory title?—He gets the advantage that when the title is once on the register all transactions thereafter can only be effected by means of the register; and if he remains on the register for a certain number of years I think people would be as willing to take his title as they would an absolute title.

103. I understand your Lordship to admit that there would be no security given by this register with regard to titles entered as possessory titles?—Yes, it would; because, although the title prior to the date of registering may be infirm, nobody subsequently to that date could get a title except by a transaction on the register; and, therefore, anybody taking by title on the register is perfectly secure as from that date, although it is subject to all prior infirmities of title.

104. Therefore it is only when it becomes gradually a complete title that the register gives that security that your Lordship refers to?—It is only when it becomes complete that it gives complete security.

Mr. *Bolton*—continued.

105. Does the owner of a possessory title get the benefit of the insurance fund?—The person who first registers does not; but anybody who registers subsequently on a transfer for valuable consideration would be charged an insurance fee, and get the benefit of the insurance fund.

106. But does it not come to this: that a man who puts his property on the register in the first instance gets no insurance security whatever?—He pays no insurance fee, and he gets no insurance security, but he gets an advantage, I believe, in greater facility of transfer thereafter, and he suffers no disadvantage. If he gets nothing, he pays nothing.

Chairman.

107. That is in the case of a possessory title?—Yes.

108. I observe that on the first registering with an absolute or qualified title he both pays and receives?—Yes, he both pays and receives; and on any transfer of registered land for valuable consideration a fee is paid, so that there is a security on any subsequent transaction. It only applies in the case of the first person who puts his land on the register with a possessory title. While he pays nothing, he naturally gets nothing.

Mr. *Bolton.*

109. As we are speaking about this insurance fund, let me ask your Lordship why you propose to compensate the person who is the real owner instead of the person who has been defrauded of his money; why you allow the real owner of the property to be turned out of his property, and compensate him with money, instead of restoring to him his property or keeping him in possession of it, and compensating the man who is defrauded of his money?—Which is the right course must depend upon circumstances. Supposing the man had bought through a fraud, which had led to an entry on the register, he may have laid out a great deal of money upon it; he may have built a house upon the property; and it would be more equitable, on the whole, that he should retain the land, and that the real owner, as you call him, should be compensated. On the other hand, there may be cases where it would be much more equitable that what you call the real owner should be re-placed upon the land. The Court is enabled to judge which, under the circumstances, would be most equitable; but whoever does not have the land would receive the compensation.

110. But by the Bill the person who is to determine that is the registrar?—There is an appeal to the Court.

111. Subject to appeal, it is determined by the registrar?—Yes.

112. Does not the principle of the Bill, I will not say provide, but suggest to the registrar in dealing with this matter, that he should maintain the integrity (if I may use the term) of his register, and compensate the real owner who has been fraudulently deprived of his property?—I do not know that it suggests that. It leaves the determination to him subject to appeal to the Court. I am not sure that that would not be the sounder general rule; but I do not lay that down; that is a matter left for determination hereafter.

Mr. *Bolton*—continued.

113. Why should the claim for this compensation be limited to six years from the time when the right to compensation accrues, as in Sub-section 7 of Section 3?—I do not suppose you could keep the thing open indefinitely. I do not know why you should not require people to come promptly in that case as you do in any other.

114. Your Lordship will observe the time runs, not from the discovery of the fraud, but from the time when the right to compensation accrues. The man may not be aware of the entry in the register, and the effect of the entry, and yet this time would be running against him?—That is a detail; it is not a matter of principle. I hardly think it would be desirable for me now to go into questions of detail which, of course, would be susceptible of amendment. I think it would be well to confine my evidence to questions of the principle of the Bill rather than of details.

115. Would your Lordship concede the change which I suggested, of compensating the person who loses his money rather than turning the real owner out of his property?—I do not know about that; that would depend upon circumstances. There are circumstances where it would be a much more just thing that what you call the real owner should receive the money, and the other should keep the land, than *vice versâ*. I should be very sorry to see any rigid rule laid down.

116. Do you think that owners of property generally, whether large or small, would look with favour upon a system which would involve the risk of allowing them to be turned out of their property, and merely compensated with money?—There are a great many cases now where, in dealing with real property, one or other person suffers, and does not receive any compensation at all; and what one has to think of is, what is the best system for the whole of the public. I think for the real owner, as you say, to be turned out, and only to receive compensation, would be a very rare thing indeed; it would happen in a very limited number of cases; and there are some cases where I do not hesitate to say that I think it would be much more just that he should receive compensation than that the person who had been in occupation for a number of years, and had every reason to believe himself the real owner, and had spent a great deal of money upon the property, should be turned out of it.

117. Does this Bill only relate to transactions by sale and mortgage, because the property is only put on the register on the sale or mortgage?—Yes, on the sale; but when it is once on the register it would continue on the register for any title claimed, for instance, through transmission by death.

118. It cannot be taken off?—It cannot be taken off.

119. In that it is distinguished from the original Act?—Yes, but not from the 1875 Act.

120. Quite so. Is your Lordship aware of any appreciable number of cases of fraud, or losses of

Mr. *Bolton*—continued.

of property, arising through the present system of conveyancing, which would be cured by the system of a registration of titles?—I cannot, of course, tell how many cases there may be, but I think I can remember since I have been in the House of Lords two, if not more cases, that have come up to the House of Lords of frauds of that description; and if that number of cases has come up to the House of Lords, it indicates to my mind that the number must be considerable.

121. Then you would suggest that the present system is not so safe a system of conveyancing as the public generally believe?—I do not know what the public believe about it. I certainly think it is not an absolutely safe system. Of course, fortunately, the number of people who commit frauds is only a small proportion of the people who deal in land, or have transactions in land, and, therefore, the number I hope is not very great. But I should not propose a measure of the sort merely on the ground of preventing fraud; although I believe it would be beneficial in that direction.

122. Speaking as a man of the world, and as a man of sense, apart from being a lawyer, may I ask your Lordship whether you do not think it is more convenient for an agricultural labourer who is now encouraged to buy parcels of land, or an artisan, or a small shopkeeper, or any middle-class man, to go to a solicitor whom he knows in his own neighbourhood, and, at a very small cost, to have the property which he buys transferred to him, and in the course of a day or two take a short concise deed away with him, showing his ownership the property, than to go to a public official and to pay a fee, and to puzzle himself, or get somebody else to advise him about this register, which may be at the county town, or in London, or anywhere else with a view to getting his conveyance through the register?—I cannot think that it is. I am quite aware of the distinction between land and stocks and shares; but if people could have their land transferred with the same facility as they do consols, I cannot help thinking that it would be a simpler proceeding.

123. But, of course, your Lordship will hardly say that you can deal with land in the same way as you can deal with shares?—No; because the difficulty is that one 100*l.* of consols is as good as another, and that is not the case necessarily with land. But that does not seem to me to touch the question you were putting to me about the facility of the transaction. Your question presupposes that you are dealing with a piece of land you know about, and getting a title to it in each case. If you look at the operation alone, I should have thought it was simpler to do it by a system of registration than by the present system of conveyancing. I do not quite see the difficulty for the artisan or the working man whose case you were putting. Of course, as you said, he would have to go to the official and pay the fees, but he would have to go to a solicitor and pay costs under the present system; the thing has to be paid for in some way. I think it would be done ultimately more cheaply by a system of registration than by the present system.

Mr. *Bolton*—continued.

124. That was not the opinion of Lord Cairns, was it?—I do not know.

125. Because he excluded conveyances of land under the value of 300*l.*, did he not?—Yes; I think that was on account of the representations made to him of the difficulty of carrying it out in the case of small transactions. But I have heard all the representations made to me and they have not convinced me. They may be sound, neverthelsss.

126. Have you seen the returns obtained by the Incorporated Law Society of very many hundred cases all over the country of purchases under 300*l.*, and the small cost to the persons selling or buying the land?—Yes; but I do not see in those cases why it need have cost more, or in some cases as much, under the proposed system.

127. But if the title has got to be investigated in the first instance (assuming it to be registered or transferred as a possessory title), and dealt with by a solicitor, the fees paid to the registry must be an addition to that expense?—No, not if the fee to register takes the place of the fee for the conveyance; he may pay just so much for the registration of title, and pay no more.

128. Has your Lordship seen these returns of very many hundreds of cases of transactions under 300*l.*, and the cost to the parties in those cases?—Yes; but I do not know how many hundreds more there may be where the costs were higher than in that return. I imagine those that have been brought before me in that return were cases in which the cost looked most favourable for the existing system.

129. Does your Lordship suggest that the cases were carefully selected?—Not at all. You would not need careful selection. You told me, I think, there were about 1,000 transactions a day. Those cases, therefore, must be a selection. That return cannot include all the cases that have occurred.

130. Does your Lordship say this is not a fair average of the transactions under 300*l.*?—I say I do not know anything about it.

131. Was not your Lordship rather suggesting in your answer that these cases may have been selected?—I do not think the return professes to be a fair average. Would you read how the return is described. I think it only gives specimens to show how cheaply it could be done. I do not think it professes to be all the transactions between given dates.

132. If small transactions, such as purchases of the value of 300*l.* and transactions of that kind, can be dealt with at very small fees by people in their own locality, where is the necessity for this change on the ground of expense?—I do not call these fees very small. I see, for example, here a case where on a conveyance the amount of the consideration was 30*l.*, and the cost, excluding the stamp, was 2*l.* 5*s.* That does not seem to me as a very small charge for that transaction. I see another case where the amount of consideration was 48*l.*, and the cost, excluding stamps, was 2*l.* 18*s.* That seems to me to be rather a large charge, I confess. I should hope on the system of registration, it would not be so much.

Mr. *Bolton*—continued.

133. There are many cases of much smaller amount in the return?—It is perfectly true that there are many smaller in amount, and of course I cannot tell how it would work out on the average; but I do not think it is any satisfaction to a man who pays that amount for costs on a small transaction that someone else pays, perhaps, less on a larger transaction. It is quite true you have in the return one case of 100*l.* on which the cost, excluding stamps, is only 1*l.* 12*s.* 6*d.*; but I do not think that would be much satisfaction to the man who on a 48*l.* transaction had to pay 2*l.* 18*s.*, excluding stamps.

134. He might have to pay that, or much more, under the system of a land register?—Yes, but these payments in this return would go on on each occasion on which there was a transfer, in all probability.

135. What consolation would it be to the first man to know that the second or third person would be let off more easily?—Because, if the first man is going to sell to anybody, the less the cost of transfer the more likely he is to get a purchaser.

136. Does your Lordship think the result of the system proposed would be that people dealing in land would be enabled to deal with it without the intervention of professional people altogether?—In some cases that would be so, no doubt; not in all cases.

137. They would have the instruction published by the Land Registry Office to show them the way they would have to go about getting their titles on the register?—That I do not know; but I do not see any objection to that.

138. Would your Lordship kindly look at this book, which is called "Land Registry: General Instructions as to Registration and Transfer of Land under the Land Transfer Act, 1875, with the Act, Rules, and Orders." I do not know whether your Lordship has read that book?—I have seen it.

139. Does your Lordship think that an ordinary purchaser of a small property would do better to take a book like this, which is the official instructions, puzzle his head over it, correspond with the public official, and go through any amount of trouble that would be necessary for him in order to save a guinea or a trifle more in employing a solicitor to prepare the documents?—I think many would very likely still employ solicitors to do the work, even though the land was to be registered. I do not anticipate its destroying the occupation of solicitors at all. But I think there are many cases where, nevertheless, it might be more cheaply done than at present. Anyone who wanted to employ a solicitor and preferred that to doing it himself would, no doubt, employ a solicitor.

140. Does your Lordship approve of this paragraph, which you will find at page 15: "The office stationer (who is not an officer of the Department) receives instruments if sent by post with cash or cheque, attends at Somerset House (if desired) for duty, and generally undertakes the correction and presentation of applications at law stationer's charges, which should be paid in advance"; does not your Lordship think that system, combined with the power of the registrar here to receive documents from anybody, would lead to an inferior class of practitioners being employed, who would place the unfortunate people applying to register in an infinitely worse position than they are now under the present system of going to a respectable solicitor and paying these small charges?—I do not think my attention has been called specially to that provision; but it seems to me that that is really a very long way from the question of the principle of a Bill of this sort. I do not myself see any great danger of mischief.

141. If the system leads to looseness and unsatisfactory working, and is impracticable in small transactions, surely that is an important element in considering whether a Committee of this House should pass a Bill bringing the system into operation?—It is; but having regard to the fact that the system has been in operation for many years in our own Colonies, having been substituted for the old system there, and having generally given complete satisfaction, so far as I know, and nobody desiring to go back to the old system, inasmuch as I do not suppose that the transactions in Australia are all large transactions any more than they are here, I cannot think the system has the inherent defects that have been suggested.

142. Your Lordship will admit that the transactions in land in Australia are of a very simple character compared with the transactions in land in England?—The only difference that I know is this, that no doubt the earlier titles would be simpler because most of them come from a Crown grant, and therefore they have a simpler origin; but I do not know that the subsequent transactions are simpler.

143. But then the compulsion is almost exclusively confined to cases where there is an original Crown grant?—Yes; but I cannot see that that makes any difference as regards the point you have called my attention to, namely, the facility of the transaction itself.

144. Your Lordship diverged into the experience in Australia, I think?—Yes, because you are asking me whether it is not the necessary effect of the system that in small transactions you could do the whole thing much more easily and cheaply under the present system than under a system of land transfer. I say I cannot imagine that in Australia there are no small transactions; and I have not heard of any such difficulty as you suggest arising in Australia.

145. But in order to use the case of Australia as an authority for the introduction of the system here, you must admit you require to show that the conditions are the same in Australia as here?—I believe the conditions as to transfer, when once you get the land on the register (which is what we are dealing with), are precisely the same. The circumstance of the prior title being simpler no doubt makes a difference; but it does not seem to me to make a difference on the point as to which you were examining me, namely, the difficulty of transferring land on the register, and the facility of transferring the same land by a conveyance.

146. I was directing your Lordship's consideration to the proposition I was putting to you, that under

Mr. *Bolton*—continued.

under the present system, in small transactions there is really no grievance to remedy; that the present system is as cheap, and much more convenient, than any system of transfer on a register?—I do not think it is.

147. Then your Lordship took me to Australia?—Yes; because what you put was, that in the case of small conveyances a system of transfer on a register must be more difficult or more expensive (I do not know which) than the present system.

148. I went to Australia because your Lordship took me there; and I ask you whether there is any comparison between simple transactions that are compulsory on the register in Australia, dealing with a land grant from the Crown, and dealing with it absolutely, either by way of assignment or mortgage, and the transactions which are likely to take place here in England?—I think there is every comparison, when the land is once on the register. I do not see any distinction in that respect.

149. There is no possessory title in Australia; it is the absolute title that is registered?—Yes.

150. In the case of properties of considerable amount, if they were put on the register with absolute title and with a guarantee, there might be, afterwards, a cheapening by the transfer on the register, rather than by transfer by deed; but I venture to ask your Lordship whether that small fact is a justification for a vast change like this, which deals with these numerous small transactions, and many complicated transactions in land as well as the few simple transactions to which you have referred?—All I can say is, that if you take the transactions as a whole, the small ones as well as the large, I believe a system of this sort, if in operation, would be a more beneficial system than the present. Of course that is only my opinion, but I cannot say more than that.

151. Why should the public on public grounds give the guarantee which is involved in this Bill, in Sub-section 3 of Section 2?—I think the guarantee is one which is not at all likely to be any burden; but I suppose the ground on which it may well be justified is, that it is in the public interest that any transfer of land should be made simple and economical, and secure. I think one would be amply justified on that ground in putting upon the public any small burden that might fall upon them; experience seems to show that there would not be any.

152. Is there any experience that would justify on actuarial grounds the calculations embodied in the Schedule to the Bill?—There is the Australian experience.

153. But that only applies in the event of your being able to show that the dealings in Australian land are at all to be compared with dealings in land here?—As regards the question of fraud and mistake, it seems to me they are precisely the same. As regards fraud and mistake I see no more reason why fraud or mistake should prevail here more than there; and it is only in regard to those things that the insurance fund has relation.

154. Under this Bill a man may be registered with a possessory title, with a title subject to a qualification or condition (with a blot on his title, in fact), or he may be registered with an absolute title?—Of course the second and third cases you name are powers of registration which exist at present, and will only exist as at present under the altered law.

155. Supposing a man has a defect on his title, is it desirable, in his interest, or in anybody's interest, in fact, that specific attention should be called to it by putting it on record on a public register?—That is a matter left entirely to his choice; there is no compulsion about it at all.

156. But supposing he wants to sell the property?—He is not bound to register with a qualified title; it is entirely optional. No man need register with a qualified title after this Bill has passed, any more than now.

157. This Bill applies to leasehold property as well as freehold property, does it not?—You may register in the case of leaseholds, but I do not think it is made compulsory.

158. If your Lordship refers to the part of the Bill under the heading "Minor amendments," you will find in Section 20 it proposes to give your Lordship power to apply it to all leases and to all leasehold transactions on sale or mortgage. Section 20 is as follows: "Provision may be made by general rules under Section one hundred and eleven of the Land Transfer Act, 1875, for carrying this Act into effect, and in particular for the following purposes." The rules under that section are to be made by your Lordship alone, with the advice of the registrar; that, of course, means by your Lordship alone. They are to be laid before Parliament, but only for the information of Parliament; there is no power to interfere with them?—That is, of course, a detail which this Committee can consider.

159. The section proposes that your Lordship should have power "(b) for adapting to the registration of proprietors of leasehold land the provisions of the Land Transfer Act 1875, as to absolute and possessory title, and as to land certificates; (c) for modifying the provisions of the Land Transfer Act 1875, as to the registration of proprietors of leasehold land." Therefore your Lordship would have power to alter that Act?—Yes.

160. "(d) For applying to the grant of leases and dealings with leasehold land the provisions of this Act with respect to compulsory registration"?—Yes.

161. So that your Lordship would have power to issue an order to place every lease, every document dealing with property, granting property for a term of more than three years, compulsorily on the register, and compel everybody to register his lease, and to transfer by entry on the register?—Of course it would be entirely for this Committee to consider whether they thought that a desirable provision or not. To my mind it does not strike me as anything appalling that leasehold property should be transferred by entry on the register instead of by instrument, as it is at present.

162. Has your Lordship considered the number of leases of all sorts, taking, for instance, those for short terms in London alone, to which this would apply?—It is not in my

Mr. *Bolton*—continued.

mind at present; but in the county of Middlesex, I think, leases are within the provisions as to the Middlesex registry.

163. But those are beneficial leases, and leases for more than 21 years?—Yes.

Chairman.

164. It is no doubt a matter of opinion and construction; but it seems to me the provisions in this Act are also limited by reference to leaseholds as defined in Section 11 of the Act of 1875; it must be "a lease for a life or lives, or determinable on a life or lives, or for a term of years, of which more than twenty-one are unexpired"?—Yes, there is a definition in the Act of 1875.

Mr. *Bolton.*

165. I understood your Lordship to accept broadly the proposition that it was not objectionable to put all leases on a register?—I cannot see that it is objectionable; but we had better deal with the Bill as it is. When you put it to me broadly I thought you were putting me the Bill as it is.

166. But is not that the Bill, speaking as a lawyer?—No, I think it is not; because this is to be read as one with the Act of 1875, and therefore a lease must be taken as defined in the Act of 1875. At present all leases in the county of Middlesex to which the Act would apply have to be registered.

167. Then your Lordship would explain in that way the answer you gave a few minutes ago when you said you did not see any objection to applying the same provisions to leasehold property as to freeholds?—I do not withdraw my answer at all. This Bill does not so provide; but I see no objection myself to such a provision, except the objection as to the practicability of it, which is a matter which would have to be tested by experience. If you suppose a Lord Chancellor who is foolish enough to make an order of that sort without first informing himself as to the practicability of it, no doubt difficulty might arise; but the whole of this Bill is based upon the notion that the Lord Chancellor may be trusted at least to this extent; to put it in operation only by degrees, as he finds it practicable. All that the question had reference to was the scheme of transferring leaseholds by register instead of by deed. As to that I said, and I adhere to it, that I see no reason why you should not have a system by which leaseholds should be transferred by entry on the register just as much as freeholds.

168. That means, of course, that offices of sufficient number and with sufficient officials should be established throughout the country to transact that vast business?—It would be a question of what is practically expedient; and I imagine whether it was extended to leaseholds or not would depend upon what it was ascertained by inquiry or experience would be the result of its extension.

169. Is it not rather a novel proposition to entrust powers of that kind of a legislative character even to so great an official as the Lord Chancellor?—I think there are many precedents for entrusting powers as great as that.

170. But under this Bill the number of registers may be multiplied at the Lord Chancellor's pleasure, and, with the sanction of the Treasury, any number of officials may be appointed all over the country?—If it is in the public interest I do not know why they should not be.

171. Your Lordship referred to the inspection of the register and to the question of privacy; how would it be possible to preserve a register of this kind with privacy?—I do not myself see the difficulty.

172. In Australia it is not private, is it?—No, but I do not see the difficulty. There has been privacy up to the present, and I do not see where there is difficulty in continuing it; that is to say, nobody is to be allowed an inspection, unless he is authorised by a person on the register.

173. Is there any registry, in any country where there is land transfer by registration, where there is an absolutely private register?—I am unable to say; I have not looked into the question; but I do not see any difficulty about it.

174. Would it not inevitably follow from this Bill that the system of land registries would be extended throughout the country by your Lordship or your Lordship's successors, and officials would be appointed, and the register would practically become an open book, like the Bills of Sale Register, which everybody could go and see, and by which, on paying a certain fee, anyone could see how the owners of property dealt with their property?—I cannot see why it should be so.

175. Is it not most likely that that would happen?—I do not know whether at the Bank of England they allow anybody to go and search the register, but I think they do not.

176. They do not allow it; and I do not think even your Lordship could go and see the register at the Bank of England as of right?—If such a register as that can be kept secret, I do not see why they should not keep the land register secret.

177. Is there any comparison between the register at the Bank of England, or the register kept by a joint stock company, and the land register proposed to be established under this Bill?—For the purposes of secrecy I cannot see how the one differs from the other.

178. But surely the secrecy of the register at the Bank of England and of a joint stock company's register is an essential condition of its existence, for the sake of the funds of the country in the one case, and for the sake of the shareholders of the company on the other; and those reasons would not apply in the case of a register like this kept by a public official?—I do not see that the register of bank stock or the keeping of it secret is a thing necessary for the existence of the Bank of England.

179. Am I to understand from your Lordship that you see no difference between those two registers?—I see plenty of differences between them; but what I mean is that I cannot see, and you do not suggest to me, any reason why it should be impossible to keep this register secret.

180. I suppose the registers would be very considerably extended; it would hardly be restricted to simple transactions in land of sale and mortgage?—It would apply to sale, mortgage,

Mr. *Bolton*—continued.

mortgage, and transmission on death; I do not know what else it would apply to.

181. There must often be a title off the register as well, with regard to property of any importance?—There may be an equitable title of course. There may be trusts, and there may be provisions by deed of that sort.

182. What would happen if the owners of small properties chose to disregard this scheme altogether and dealt with their interests as equitable interests?—Of course, a title would not be conveyed by the instrument.

183. Would your Lordship, sitting as a judge, refuse to give effect to an agreement dealing with land off the register?—It would depend upon circumstances; one would have to see what the circumstances were, and what the agreement was; but, no doubt, there could be certain rights given by agreement.

184. Your Lordship said that the only persons objecting to this Bill, so far as you knew, were bankers and solicitors?—I said bankers had objected, but I believe their objections are now at an end. I have had, as regards this Bill this year, no objections except from solicitors.

185. Possibly the ignorance which you attribute to the public with regard to the advantages of the Land Transfer Act of 1875 has been the reason why you have not had representations from the public generally against this Bill?—It may be so; but, at the same time, the class I have named, who have opposed the Bill, have certainly appealed to the public tolerably largely to support their opposition.

186. Do you not think it would be desirable that the public generally should know the provisions and the effect of this Bill before legislation of a compulsory character is pressed through Parliament?—They certainly know as much about it as they know about any Bill that passes through Parliament; because this scheme has been described in the House of Lords, I do not think I am wrong in saying, in five different Sessions.

187. Of course, your Lordship knows that the space in the newspapers given to Parliamentary proceedings generally (especially to those in your Lordship's House) is very limited?—It has not been so with regard to this measure; all that I have said upon it has always been very fully reported, and I think I may say the same of my predecessor, too. Therefore, I do not see that there is any reason to suppose the public are less well acquainted with this proposal than with any other that comes before Parliament.

188. Have the bankers, from their point of view, carefully considered the effect of the amendment you suggest with regard to deposit notes?—Yes, I think they have.

189. Have you considered what would happen in the case of the loss of the deposit note?—In the case of the loss of the deposit note which was required to be produced on transfer, of course you could only get a transfer after proving its loss or destruction satisfactorily.

190. What is the special advantage of the deposit note over the certificate of title?—Because in the case of the certificate of title, the registration can be effected without the production of the certificate. In the case of the deposit note it cannot.

Mr. *Bolton*—continued.

191. But it would involve registration by bankers, would it not?—No.

192. Suppose a banker lends money on a deposit note, and the borrower then goes to the Registrar and makes a declaration and gets a fresh deposit note and then goes to some other banker and borrows money upon it. Where is the security to the bankers?—Of course, he has to run the risk of the man by fraud satisfying the Registrar that the note has been lost or destroyed, and inducing him to give him another. No doubt he has to run that risk; but he has to run a great many risks at the present time, because, in the case of a deposit of title deeds, the man who brings the deed may not have as much title as the man who in the first instance brought the deposit note. The banker is not free from the risk of fraud at present. Although a man may have the deeds in his possession, the great bulk, or the whole, of the property may have been conveyed away.

193. I do not see what absolute security there is in the deposit note?—There is not absolute security in the deposit note, but there is greater security than is given by a mere deposit of deeds, I think.

194. Is it not much easier to make a statutory declaration, to commit perjury if you like, than to construct deeds that by their appearance and the names and the details in them show a certain amount of authenticity?—But it is not necessary to construct deeds, because, taking for instance, the case of a man who sells his property in parts, he retains the deeds in his possession, covenanting only to produce them. He does not send the deeds to the man who buys one part, or to the man who buys another part, of the property, and therefore he may have the whole of the deeds in his possession, and not have the land; because he may have conveyed it away. He may hand the deeds to the banker, but the property is not his, because he has already parted with it. That is a perfectly possible case, and in fact a case that has been proved to exist.

195. I was taking a case of dishonesty?—I am taking the case of dishonesty; but you suggested that there could be no case of dishonesty, except by means of constructing a deed; and therefore I was pointing to a case where, without constructing a deed, a man may cheat the bank.

196. Your Lordship misunderstood my question; no doubt it was my fault. I wanted to show there was no special virtue in the way of absolute security in the deposit note?—All I say is, that the deposit note will afford an adequate substitute for the deposit of the deeds.

197. A second deposit note might be obtained while the first deposit note was current, and the banker in the second case be absolutely defrauded?—Yes; as I said, he runs that risk; but I believe, on the whole, there will be less risk than he runs at present.

198. Have the bankers as a body, the Bankers' Institute, or any authoritative association of the members of the banking profession, fully considered the effect of the amendment you suggested?—

Mr. *Bolton*—continued.

suggested?—Representations were made to me from the Country Bankers' Association. I received a deputation from them, and I framed this clause to meet their difficulty. I have no doubt they took advice upon the clause; and since the Bill was brought in with that clause in it I have heard no further objections from them, and I believe, on the whole, they are satisfied.

199. Your Lordship hardly suggests with regard to the other class, the solicitor class, that they do not honestly believe that the present system is a better system than the system you propose under this Bill?—No, but I think men are naturally wedded to the system under which they have been working, and there is a tendency to become opposed to a change. I am bound to say I have had representations from more than one that I ought not to press this Bill because of the serious prejudicial effect it will have upon solicitors. A respectable solicitor wrote to me and said he thought it was very hard that I should push forward this Bill, as I had attained my present position owing to the existence of solicitors' briefs which they gave me, and now, having got to the top, I proposed to kick away the ladder that helped me to mount. I imagine the gentleman who wrote that letter entertains strong views about the effect of the Bill on his profession, and can hardly be regarded as an absolutely impartial person. Of course, I do not mean to say that solicitors are consciously affected by such views, but I suppose every class would prefer to go on pursuing their calling as they now pursue it to having any alteration made which might be prejudicial to them.

200. But surely you will admit that solicitors as a body are as competent as probably any other body to express an opinion as to the practical advantage or disadvantage of this Bill?—Quite so; I do not doubt their competency at all. But, speaking of my own branch of the profession just as much as any other profession, I think there is an indisposition to change; there is a general disposition to think that the system under which they have been working is a better system than a system likely to be substituted for it, especially if there is any apprehension that the altered system may not be as beneficial a one to themselves.

201. Do you not think that before any large change of this kind is made, including the compulsory introduction of that which has failed voluntarily, a much more exhaustive inquiry into the whole subject ought to have been entered upon than has been?—I do not think any more exhaustive inquiry was necessary. At the same time, I am very glad that this Committee has been appointed; I hope it will make a very exhaustive inquiry, so that we may hear no more of there not having been sufficiently exhaustive inquiry. I regard its appointment with great satisfaction on that account.

202. I understand your Lordship to have said that the scheme cannot come into immediate operation throughout the country; that that would be impracticable; if a registration scheme is really good, why should not the whole country enjoy the benefit of it?—Because it is

Mr. *Bolton*—continued.

obvious that it is only possible to ascertain by some experience what number of officials would be necessary, and how the Act might best be administered. That would depend in many cases upon local circumstances not being the same necessarily in one part of the country as another, and I think it would be extremely unwise to run the risk of making mistakes of either under-appointing or over-appointing, by introducing the scheme all over the country at once.

203. Then the only objection which your Lordship has to applying it to the whole of the country is that you do not quite know how many officials you may want?—Yes; by applying it to one part of the country, in the first instance, you will obtain experience which will enable you to apply it elsewhere with a greater certainty of doing precisely what ought to be done.

204. Have you not had the experience of 30 years of utter failure, as showing that the public do not appreciate this system of transfer?—I have already said, I do not regard the experience of 30 years as showing utter failure in the least. You have had experience of 30 years of the system in which the people of this country have left the matter entirely to solicitors; and the solicitors having been opposed to the system, the system has really not been tried.

205. But the solicitors were opposed to this system, I suppose, because they thought it was not an improvement upon the generally prevalent system, and their clients acquiesced in it?—Well, I do not know what their reason was.

206. Supposing, for the sake of argument, the principle of this Bill were conceded, what objection would there be to restricting it to the two counties, where there is a machinery, Yorkshire and Middlesex?—I have had in view always that it would be probably expedient to commence in those counties.

207. Then your Lordship would not object, if the Committee were to pass the Bill, to their restricting it to the counties of Middlesex and Yorkshire?—I should object for this reason: that I think if it were found to be advantageous in Middlesex and Yorkshire, in that case it would be very hard that the rest of the country should be deprived of the advantage of the extension of the system to the country generally. But as regards beginning in Middlesex and Yorkshire, personally I should have no objection to that; because that is just what I contemplated; there being compulsion there already, it would only be substituting registration of title for registration of deed.

208. You have already got offices in three Ridings of Yorkshire, and you have got an office in the Metropolis to deal with Middlesex?—Yes.

209. If the Bill were accepted as an experiment, where would be the objection to limit the Bill as an experiment to those two counties?—The only objection is that which I have stated. I should imagine that anybody who in the first instance brought those two counties within its scope would not immediately extend it till experience was gained as to the number of transactions, and how it worked, and what was necessary, and so on; but I do not quite see that it would be desirable on

that

Mr. *Bolton*—continued.

that account to prevent its extension afterwards without the necessity of a further Act of Parliament.

210. But if it turned out to be so advantageous as your Lordship suggests under a compulsory system, there would be a general consensus of opinion, would there not, in favour of extending it throughout the country, and an Act would be easily passed?—I am not so sure of that. I think so far as the public know about it all, there is a general consensus in its favour now in the country; but at the same time, I think, if you sought to extend it afterwards, you might meet with a considerable amount of opposition to any extension, however well it had worked.

211. Might not that happen which did happen with regard to the registration of deeds in Middlesex and Yorkshire, the people having this plaister on their backs could not get rid of it, but the people outside who saw them with it took very good care it should not be put on their backs?—It would always be possible for Parliament to repeal this Act at any time, like any other Act, so that it could not be extended further.

212. Your Lordship sees the extreme difficulty, after such an Act as this had been tried, of repealing it?—I do not know why.

213. There have been, as no doubt your Lordship is aware, repeated agitations for the repeal of the Act for the Registration of Deeds, so far as Middlesex has been concerned, and I think your Lordship will find on inquiry that there has been an equal agitation for the repeal of the Act in Yorkshire, but the difficulties of repealing were so great that the people preferred to go on with an unnecessary imposition rather than risk the greater evils involved in getting rid of it altogether?—I have not heard that. It may be so; I do not know.

214. Having regard to that, would it not be wise to limit the Bill to the two counties you have been good enough to approve of, namely, Middlesex and Yorkshire?—I do not think it would; because, as I say, if the experiment were tried, and it was found to answer, I do not see why it should not be extended to the rest of the country, even on your own hypothesis.

215. Do you think in a great change like this it would be better to look to a great official of the State rather than to Parliament itself?—Parliament leaves it to the official to determine in what districts it should be applied, having approved the general principle. I do not see anything that is not in complete harmony with its previous procedure in that.

216. Your Lordship has used the word "principle"; surely the whole of this Act is not so much a matter of principle as of policy and expediency as to whether it is a more convenient and more satisfactory mode of dealing with the transfer of land; there is very little principle in it, is there not?—Well, I will withdraw the word "principle," and substitute "policy and expediency"; and with that change my answer would be the same.

217. But do you not think that policy and expediency would dictate that the specific trial of the compulsory system should be confined to a limited area, so that if the compulsory system were found to be unsatisfactory, and it was found to be desirable to abolish it, it could be abolished with the least inconvenience?—I do not think so, for the reasons I have given.

Mr. *Bolton*—continued.

Mr. *Wickham.*

218. May I ask your Lordship if there is any view as to what a district is to be; whether it is to be a whole county, or part of a county or counties collectively?—I do not think that has been considered up to the present time.

219. With regard to the insurance fund, is there any idea of what is to become of the money eventually, supposing there is a surplus; because at the end of a given time, say 60 years as the longest possible time, whatever is over will no longer be wanted for the purpose of insurance?—Yes, it may always be wanted. The 60 years would not get rid of the need of it, because you might have some fraud by which a wrong person might get on the register. You would always want an insurance against fraud.

220. But every possibility would be got rid of in that time?—You might have a transfer by a person taking apparently a right title; but you might have a fraud by which the wrong name got on the register, and then you would have an insurance in respect of that.

221. Would not that seem to militate against ever getting an indefeasible title, which is one of the great objects of the Bill?—You would get, of course, an indefeasible title, subject to the possibility of fraud, which might in certain cases render it proper that what has been called "the real owner" should get back his property, and that the person who has taken his property should receive compensation. You might get such a case.

222. And it is to be presumed that such a thing might happen indefinitely?—Yes, it might.

223. Therefore no time will be fixed when the insurance fund will come to an end?—Not when it would come to an end; but I presume that if experience showed that the fee was likely to realise a greater return than was necessary for the purpose of insurance, the insurance fee would be at once reduced. That would be the first step taken.

224. It would appear from what your Lordship has said that the fee in Australia was too large, the profit being larger even than they expected. May I ask if in fixing the rates in the schedule to this Bill that was considered?—Yes, but you will observe that the rate in the schedule is only "such fee as may be prescribed not exceeding one farthing in the 1*l.* on the capital value of the land." The object in the schedule was that the insurance should not exceed a certain sum; it need not necessarily amount to that. Of course all these things would be considered in fixing it. This is only a maximum.

225. Then may I ask your Lordship if the great danger of fraud with regard to boundaries of estates was considered by the framers of this Bill?—There is no doubt the question of boundaries does create a difficulty, which cannot be avoided. I mean it exists under the present

Mr. *Wickham*—continued.

system, and to a certain extent must exist under any system.

226. I think I may say that under the present system it is more remediable than it would be when it is once registered?—I do not know that it is more remediable. It might in certain cases be so, no doubt. I do not know that it necessarily would be. I think if you got all the land registered you would be much less likely to have a difficulty about boundaries.

227. I should like to ask you this question: A special certificate can be given which will take the place of the old deposit of title deeds with the bankers?—Yes.

228. Now, I apprehend that some fee will be charged for that certificate?—No, it would not be if the person takes it in the first instance instead of the ordinary certificate.

229. Could he make the same arrangement with bankers as now without any expense at all? Now you can leave your title deeds with your bankers, and the thing, as far as that is concerned, is done; but if you are to get a special certificate will you have to pay some fee for it?—No; because any person who anticipated the probability of charging his land could take the special certificate in the first instance instead of the ordinary certificate, and there would be no extra charge, because he could take the special certificate instead of the ordinary certificate.

230. But then, for other purposes, the special certificate would not answer the purpose of an ordinary certificate?—Yes, it would answer the purpose. The only difference between the special certificate and the ordinary certificate is this, that in the case of a special certificate you cannot get a transfer without producing the certificate. That is the only difference between the special certificate and the ordinary. I ought to have said, with reference to bankers, that, of course, the special certificate was designed to meet the difficulty suggested, that very often an advance was wanted immediately. Then it was suggested they could do that upon the deposit of the deeds, whereas, if any inquiry were necessary at the Land Registry, it would take some time. Therefore the certificate was designed to be a substitute for the deposit of the deeds, but of course, by giving the necessary *caveat*, the banker could make himself secure against any subsequent fraud on the part of the person who deposited the certificate with him, because if he had entered a *caveat* the land could not be disposed of.

231. But still that adds somewhat to the complexity of the proceeding?—No, I do not think it adds to the complexity.

232. At present you merely deposit your deeds and leave them with the banker?—Now you would deposit the certificate, and that certificate would give the banker as much as he got by the deposit of the deeds, with this additional advantage, that by the trifling expense of entering a *caveat* he would get a much better security than he gets now by a deposit of the deeds.

233. Now, my Lord, is it not going rather far to say that a 60 years' title is required? Does anybody now ask for a 60 years' title?—No.

Mr. *Wickham*—continued.

234. Or even a 40 years' title?—Very seldom.

235. And in the case of the very great bulk of the transactions, a very much smaller length of title is expected?—Yes.

236. Now, I should like to ask you (this is neither against nor for the Bill) would it not be the fact, if the Bill passes into law, that by Section 2 there will practically be almost an end to the Statute of Limitations? At present, as I understand the Statute of Limitations, 12 years' possession gives you a title. Now you are given your title by being on the register? ——

Chairman.] Not an absolute title.

Mr. *Wickham.*] Not an absolute indefeasible title, but it does give you a title.

Chairman.] A possessory title.

Mr. *Wickham.*

237. (To the *Witness.*) The holder of the title would be in one sense better off on the register, because there they would be in the position of a person who had claimed it for 12 years?—They would be better off in that respect.

238. Is there any risk under this Bill of fraudulent persons registering property which does not belong to them with a possessory title?—Of course it is possible.

239. It is possible?—A person possibly might do it, but then, of course, it would not give any title as against that owner.

240. But it might enable him to borrow money immediately. Supposing he entered himself as the possessory owner of somebody else's land; having been once entered, it is conceivable that he might borrow money upon that land?—If a person had only just registered himself with a possessory title I think that a banker would require, in addition to his certificate, to have the prior deeds deposited with him as well, just as he does now. He would require that in addition to the certificate, because, of course, the certificate of a man registering himself with a possessory title would not show that he had a good title.

241. I think I may take it there is a risk of fraud?—Yes, of course, there is a risk of fraud; but I do not see that it would increase the risks of persons dealing with a vendor, a mortgagor of land.

242. Except that the fraudulent person has this much to go on; now if he claims a person's estate which does not belong to him, he can show nothing; but, supposing he got a possessory title, he could show that he is on the register for some purpose or another?—Yes; of course you do not put a man on the register without some assurance that he is in possession.

243. But there is no means of finding out the real owner?—There is no investigation as to who is the real owner. Of course it does not purport to give a man more, as I say, than a possessory title; that is to say, it is a title which is subject to any infirmity existing prior to that date.

244. I can quite understand, my Lord, that that should apply perfectly to a title, as Mr. Bolton said, with a blot on it. Then a man must produce something or another?—Yes.

245. But here he is allowed, as I understand it,

Mr. *Wickham*—continued.

it, to say, "I am the owner of such-and-such a parcel of land, and I desire to be registered with possessory title," and that he could do without any proof whatever beyond his own allegation?—There is something more than his own allegation; however, he might do that, no doubt, although he was not the owner. That is quite true. But then, he does not, by doing so, give himself a right as against the owner.

246. I should be very unwilling to attempt to contradict what your Lordship says; but surely it gives him an inchoate right; he is the person who appears on the register, whereas the owner, assuming that he has never had occasion to be registered, does not appear?—No; but then whoever takes from him takes subject to any defect of title existing prior to the date of his registration; he is secure as to everything subsequent.

247. But still that might be a great hardship on the real owner; assume the real owner to be under disability, a minor or lunatic; such a thing is conceivable; and supposing that the person who is registered with this possessory title were to sell (I admit it would be an imprudent thing to do), the person who took from him might then make a claim on the minor's estate and litigation might arise?—But the person who took from him still would get no title as against the real owner.

248. He would get no better title?—He would get no better title.

249. He would not himself have committed a fraud?—No.

Chairman.] Is not that dealing with the existing law under the Act of 1875, because a person can register a possessory title now?

Mr. *Wickham.*] Perhaps that is so.

Mr. *Bolton.*

250. He might register with a possessory title and get a certificate, and go to a banker and borrow money; and the certificate, I think, if your Lordship looks to the form, does not show how long the title has been on the register?—Of course the banker determines for himself what he advances upon. He is not bound to advance upon the certificate without getting the prior deeds.

251. No; but then under the present system the man takes his deeds only and hands them over?—Yes.

252. Under the system of the Bill he would get a deposit note, and he would take that, and the deposit note would not show how long he had been on the register as possessory owner?—I should think that for a good many years to come every prudent banker would ask for the deeds as well as the certificate. He would only treat the certificate as the last thing.

Mr. *Wickham.*

253. I see in Section 21, "Nothing in this Act shall render compulsory the registration of title to an incoporeal hereditament?—Yes.

254. That being so, it would seem that the registry of an estate could not be entirely complete at any period, because there might always be incorporeal hereditaments outstanding which might be of considerable value, and so far diminish the value of the estate?—No doubt that is so. But in corporeal hereditaments if appointment to the land follow the registration.

Mr. *Smith.*

255. I think your Lordship said the insurance fund will not apply to a possessory title in the first instance?—No.

256. But that to every transfer subsequently it would apply?—Yes.

257. Are the titles in Australia, as a rule, possessory or absolute?—I think they are absolute there.

258. And would not the amount which is drawn upon the Insurance Fund of Australia be in this case rather misleading?—No; because in this case the insurance fund would only apply to frauds or mistakes subsequent to the first registration; that is to say, in the course of transmission. Now I do not see any reason why they should be greater in that respect here, though you start with a possessory title, than they would be in Australia, where you start with an absolute title, because the people subsequently to the first would all be intending to transfer their property in the land; and I do not know why it should make much difference as to those transfers as to the chance of fraud or mistake whether you start with a possessory or start with an absolute title.

259. The term "qualified title" does not include possessory?—No. The "qualified title" really is a title which might be obtained, but which is, I believe, very seldom obtained, and which, I think, might almost be left out of consideration in the question that we are discussing to-day.

260. Your Lordship does not consider that there have been at present enough transactions on the land registry to show that this proposed system of registration will be cheaper and quicker?—Yes; I think that the evidence of the transactions on the land registry does go to show it. I think that there have been quite enough transactions to point in that direction.

261. But supposing this Act, coming into operation in a particular area, fails; could those who have been compulsorily put on the register withdraw their properties from the register?—No. It would have to be dealt with by legislation in that case. You would have to alter the system.

262. You would have to repeal the Act of 1875?—Or modify it.

Mr. *Tully.*

263. There are one or two points upon which, as a lay Member of the Committee, I wish to ask you. First, as to the insurance fund: I think you said my Lord, that at present it cost considerable sum to make out a title. When a purchaser is buying, I suppose he calculates that sum and deducts it from the price he offers the landlord?—I have no doubt, at least, I have a strong belief, that the more cheap and easy you can make the transmission of land, the greater number of transactions there will be, and the better the price which would be likely to be obtained.

Mr *Tully*—continued.

264. So the effect of this Bill will be to lessen the cost; and I think you gave us one case where the costs would be nothing?—The costs will always be something, because there will always be the fees payable to the Land Registry.

265. In such case the solicitor will get nothing and the landlord will therefore get more from the purchaser?—I think that will be the ultimate result as regards the landowner.

266. In referring to a case in Austria you stated that such a system would facilitate landlords getting advances from bankers?—Yes; I was told that it had done so, and that that was the cause of satisfaction as to the change produced, even in the minds of those who had been opposed to it.

267. This Bill will therefore be a great advantage to the landlords, and the Consolidated Fund guarantees the insurance fund. Why should the general taxpayer be made liable for securing these advantages to the landlords?—I do not think that the guarantee of the Consolidated Fund is really a practical thing; I think it gives an assurance that satisfies people's minds, but I do not believe in its being a real burden myself, because I think the insurance fund, as experience has shown, will be ample to meet all claims.

268. Would the landlords take this Bill if the assurance fund were not guaranteed by the Consolidated Fund?—Yes. I do not know that they would make that a vital objection to the Bill.

269. The effect of this Bill, to a considerable extent, at all events, will be to take the solicitors down off the backs of the landlords?—I think to some extent that is a possible effect of it.

270. And seeing the risk the landlords run in getting rid of the solicitors, they want to make the Consolidated Fund liable to the insurance fund?—I do not myself think that the liability of the Consolidated Fund is really a serious matter, because, as I have said, unless people prove to be more blundering and fraudulent here than in the Colonies I think the insurance fund will meet all claims upon it.

271. Why should all those who are not landlords, and who are never likely to become landlords, be liable, as general taxpayers, for providing these advantages for the landlords?—The policy of legislation of late years has been to encourage everybody to become owners of land, and I suppose the idea is that anything that facilitates the transfer of land carries out that policy, and is to the advantage of the public generally. That, I suppose, will be the explanation.

272. The landlords form a small portion of the public?—It is not merely landlords, because there are a great number of very small holders of land.

273. With regard to the official referred to under Clause 3 as the registrar, who is to have powers of awarding compensation, will he be a judge of the courts?—No.

274. Will he have power to act without a jury?—Yes; he will have power to act himself, but it is subject to appeal to the court.

Mr. *Tully*—continued.

275. And he can award the compensation out of the insurance fund?—Out of the insurance fund; but, of course, any money payable out of the insurance fund is recoverable, so far as it can be, against the person who was guilty of the fraud or of the mistake.

276. The insurance fund would not be very large; 50*l.* or 60*l.* on a transaction of 50,000*l.* or 60,000*l.*?—Still, in Australia, it has been found much more than ample for all claims upon it.

277. You cannot tell me, I suppose, how this Bill will affect the position of matters in Ireland?—In Ireland a Land Transfer Bill was passed three or four years ago, but I am not quite sure to what extent it was compulsory. It was compulsory, I think, as to all transactions under the Land Purchase Act, but I am not quite sure whether it was beyond that.

278. They have compulsory registration as regards peasant proprietors?—Yes. It is compulsory as to all land purchased under the Land Purchase Act.

Colonel *Long.*

279. Supposing an absolute title actually registered, would it make it very simple indeed then for the owner to sell off his land in small parcels?—Yes, because if there is an absolute title registered there would be no inquiry, except to identify you as the person on the register, with whom you may go with the purchaser, and, on being identified as the person on the register, transfer it; nothing more would be necessary.

Mr. *Bolton.*

280. Is there not the question of plans, my Lord?—If there was a plan in the first instance, and the whole property registered with a plan, of course, you would transfer the whole thing. If you were selling a piece of it, of course, there would have to be an agreed plan of the piece you sold; but, subject to that, there would be nothing more to be done.

Chairman.

281. It would be completed upon the plan which is kept in the Land Registry Office?—Yes.

Colonel *Long.*

282. And the new purchaser would be registered with his own plot of land?—Yes.

283. Which, of course, would be very simple indeed?—Yes.

284. If we go to the next form of title, the possessory title, at first that would not be the case I imagine; because the value of the possessory title is very dubious; therefore, for a certain time the title would have to be looked into on each occasion just the same as now; but no worse?—That is to say, the title prior to the

Colonel *Long*—continued.

the date when the man was on the register; but, as to any subsequent period, the register would be all that you would have to look to.

285. And then, in the course of a number of years, 30 or 40, of possessory title, the title would be complete?—Yes, inasmuch as now you cannot require a title more than 40 years old. When the land had been 40 years on the register you could not ask for anything that was not on the register.

[The Attorney-General here left the Chair, which was then taken by Mr. Warmington.]

Colonel *Long*—continued.

286. Then we should look forward to a certain period when, as to the whole of the land of England (supposing this Act applied to the whole of England), there would be an absolute title on the register, and, consequently, it could be very easily transferred at a comparatively speaking, cheap rate?—That is the object of the Bill; of course, theoretically, the expedient thing would be that everybody should be registered with an absolute title at once; but then it would be impossible to impose a compulsory system of that sort upon the public; and the scheme of this Bill is, that by imposing merely in the first instance a register for possessory title, which of course imposes no burden and trouble, it should gradually grow into a register of absolute title as time progresses. That is the scheme of the Bill.

Mr. *Haldane.*

287. It has been said, and this is one of the serious things which the Committee has to consider, that there has been no sufficient inquiry into this subject between the Select Committee of 1879 and the present time. Am I right in thinking that Select Committees of the House of Lords have had objections brought before them, I mean pamphlets and representations, and have considered those objections?—Certainly. All the objections that have been put forward in that form have been considered. There has been no oral evidence taken since that time.

288. But there have been deputations and speeches, and a good deal of material of that kind?—Yes, certainly.

289. And the very form of the Bill, as it has come down since 1879 to now, has been considered with reference to those objections?—It has, and a variety of alterations have been made, in consequence of the valuable suggestions received from the Incorporated Law Society among other bodies. Of course they have objected to the scheme altogether; but at the same time they have been good enough to favour me and my predecessors, with criticisms on particular provisions in it, which, I think, have enabled us to improve upon it.

290. And I think the Bar Committee has made a number of criticisms and suggestions?—Yes.

291. And all those as they have come from year to year have been considered and incorporated as they were thought advisable in the form of the Bill as now before us?—They have.

292. Then, I understand the meaning of proceeding by experimental districts as in the present Bill, is to enable the Lord Chancellor of the day to select a suitable area, see how the Bill works there, and in that way reconcile the public to it, if it turns out to be a success?—In part that; but also, of course, it would be impossible for any one to say what is the extent and character of the machinery that would be necessary to carry the Bill out. To bring it into operation at once throughout the country would involve a risk of blundering as to the extent of the machinery requisite. If you apply it at first to a particular district, it is much more easy to deal with the matter. You can gradually, if you find your machinery is not adequate, extend your machinery and do it pretty rapidly when you are dealing with one limited area; but if you were to attempt to deal with the whole country at once, it would be an impossible task.

Mr. *Haldane*—continued.

293. I notice that it is contemplated that there should be a distinct registrar in each district; apparently, therefore, there will be a considerable field for employment in an official capacity of members of the legal profession, if the Bill comes into operation?—I should think there will be.

294. Now, I should like to ask you one or two questions about the general position of things since 1879. As I remember their report, the Committee of 1879 did not report against the principle of registration; but they said it was difficult, and perhaps impossible, in the state of titles then to bring it into operation, and that was Lord Cairns' opinion. They agreed; and Lord Cairns' evidence at that time was to the same effect, that there should be some great change from the existing system, but that it was not safe then. Between 1879 and now there has been, has there not, a considerable amount of legislation which has made it more easy to start with a fee-simple title?—There has.

295. There has been the Settled Land Act, 1882, and various other minor Acts which I might mention, giving power of sale. Does that, in your Lordship's opinion, make it substantially easier to apply compulsory registration to-day than would have been the case in 1879?—I think so.

296. Various reasons have been given for the necessity of this legislation; to get rid of the costs of repeated investigations of title is one very important one. Of course, if that can be done, that is a reason which needs no defence. Then there is the case of frauds, and it has been said that there are very few cases of frauds which have taken place under our conveyancing system. It may be that there are few relatively, but absolutely, I believe, a considerable number have come before the courts?—Yes, undoubtedly.

297. There is one which I remember which came before your Lordship in the House of Lords. The frauds of a man called Toward, in

Mr. *Haldane*—continued.

Durham, the case of "Taylor *v.* Russell"?—Yes.

298. Toward had forged several title-deeds and made a series of mortgages, which were equitable because the legal estate was outstanding, and there was a rush of the equitable mortgagees to get hold of the legal estate, which they found was somewhere, and the case came before the House of Lords on the question of priorities. Would such a case as that be absolutely impossible under such a system of registration as is contemplated?—I think it would.

299. Then there is another case which I was conversant with: There a builder went to the owner of the fee-simple, who had a power of leasing, and by representation he got out of him no less than five duplicates of the same lease, and he mortgaged each of these duplicates, and the mortgagees, of course, were cheated; would such a case as that be precluded?—That would, if you registered leaseholds.

300. They were leases for long terms. Then there is another case which occurred within the last few weeks: There was a piece of property in a country town which was bought as the site of a club. The transaction was one which was carried through, I believe, cheaply. The title was not fully investigated, but a statutory declaration of undisturbed possession was taken, and the fact was suppressed that there was a paramount title. In that case the people who had gone into possession and paid money were turned out. That is a case which would be absolutely impossible under the provisions of this Bill?—When it is completely in operation, not, of course, in the first instance.

301. Now one of the points which was put by the honourable Member for St. Pancras was that there was no insurance on the mere registration of a possessory title; and it appeared, on looking at the Bill, that in the case of possessory title insurance had to take place on the first transfer of the land; but then it was pointed out that in the first instance the person who took compensation instead of his property was a man who was not on the register; a man who might be, it was said, in possession of land on which he had spent money; might not that case occur still more easily and frequently under the present state of the law than it would under the provisions of this Bill, supposing it were an Act of Parliament?—Of course, under the present state of the law it may be said that what is called the real owner, if he ultimately makes out his title, can oust everybody. But that real owner may turn up after a great many years, when other people have been for years in possession, and have dealt with the property under the belief it is theirs, and who will then be ousted; and my feeling is that there are circumstances under which what is called the "real owner" has much less claim to consideration than others who may have been dealing with the property, believing that they had acquired rights therein whilst the real owner has been out of sight.

302. And in any case the person in possession would not run worse risks than he runs at present?—He would not run worse risks; and in that case, if you left the real owner out of possession, and the other remains in, at all events the real owner would get pecuniary compensation. At present one or the other must sustain a loss. There may be a question afterwards which is to get the money and which is to get the land; but at all events one would have the money and one would have the land; instead of one being left as at present simply destitute of either.

303. Is there any case under the Bill in which, so far as you are aware, the decision between the two would have to take place on grounds less equitable than may happen under the existing law?—No, I do not think so.

304. Now it has been said that this is the transference of conveyancing from private persons to Government officials. But in the case of the secretary who keeps a register of shares in a company, and in the case of the transfer of Consols into the Bank of England, although those are not Government Departments, those are cases in which transfer can only take place by an official?—Yes, and so with the registry of ships.

305. So that it is no novel system that you should do what you propose to do here; to take a series of titles and separate them from a series of other interests in land; to take, for example, a series of fee-simple interests (those are the only ones with which we are dealing) and say "Those shall go on the register, and we leave you to deal with any equitable estates as you please, only that they must not go on the register in such a way as to interfere with the purchase and sale of the property"?—Of course, that is the case now frequently with stocks and shares of all sorts. You have them put into settlements; you have a variety of Acts of Parliament created with regard to them; but the only title recognised is the title on the register.

306. And also it is in consonance with the theory of the Settled Land Act, is it not, which puts the limited owner in possession in the position of being able to sell it out and out, as between himself and other members of the public?—Yes.

307. I do not know whether your Lordship has any information which would enable you to say whether in Australia the legal profession has suffered any great hardship or loss by reason of the passage into law of the system under Torrens's Act?—I am unable to say.

308. Lord Cairns eliminated the small properties, I think, because at that time the titles were more complicated than the titles are now, and because he wished to prevent the necessity of anything like a careful investigation prior to their being first put on the register; he recognised that was how titles should be taken?—I think there was a fear expressed that if you dealt with small properties there would be so many of them that it would be impracticable; I think that was the opinion.

309. That it would put such a crowd of things on the register to be dealt with at once that there would be a block?—Yes, that there would be such a strain.

310. Whatever may be the case with small properties and the cheapness of dealing with them, are there any large number of transactions, which

Mr. *Haldane*—continued.

which your Lordship has seen details of, in which the scale of fees is likely to be below the scale of fees proposed by the register?—No, I think not.

311. And in some cases where small properties are transferred the aggregate cost amounted to something very large?—And, of course, it would be apparent at once that if the number of those transactions is so very large a very small fee indeed will bear all those expenses. The larger the number of those transactions the smaller the fee that you would have to require payment of.

312. There is, for instance, a case which I knew of when I was a conveyancer at the bar, in which public-house property, belonging to a brewery, was turned over to a joint-stock company. There was a number of small public-houses, and I remember that, although the transactions individually were very small, and the value of the houses very small, and the titles very short, there were so many of them that the abstract was 3,000 pages in length; and I think the fee to the conveyancing counsel alone was five times as large as the fees under the scale for the transaction of the whole thing, out and out, under this Act. Such a case would be impossible if the Bill were to pass into law?—Yes.

313. As regards possessory titles, there is just one other question which I should like to put. As I understand the scheme, under the Act you put a possessory title upon the register on the mere declaration of a person that he is in possession and that he believes himself the owner——

Chairman.] No, that is not so. Section 6 of the Act of 1875 says: "Where a possessory title only is required, the applicant or his nominee may be registered as proprietor of the fee-simple on giving such evidence of title and serving such notices, if any, as may for the time being be prescribed."

Mr. *Bolton.*

314. Then, if you look at what is prescribed, you will find there is nothing practically more than a declaration of title?—That, of course, is a mere rule. If experience showed that more than that was requisite or desirable it could be required. The Act enables any evidence that is thought expedient to be required.

Mr. *Haldane.*

315. The effect of that is simply this, that the man making the declaration is put on the register, but he has no further title than he had before?—No.

316. It has no effect of law; it leaves the claim of everybody outside untouched; and the only result is that all transfers thereafter must take place upon the register?—Yes.

317. So that the putting of compulsory title on, places other and outside claims in no worse position than under the present system?—No.

Mr. *Tomlinson.*

318. I understand your Lordship to base to a great extent, as far as experience goes, the desirability of this statute on the Australian experience?—The experience in Australia and in some of the other countries in which registration has been established is the only experience; but I think that that experience is in accordance with the conclusions that one would arrive at without experience.

319. In Canada, for instance, I suppose there is no such system?—I am not at all sure about that. I have an impression there is a system in Canada, or some part of it.

320. Your Lordship based your belief as to the want of applications under the present Bill partly to the want of knowledge of these advantages?—Yes.

321. You also mentioned that you had received statements from building societies that they would be glad to have the Act made compulsory?—Yes.

322. Can you say at all how it has happened that if building societies desire the application of the Act they do not themselves encourage purchasers from them to register their titles?—I do not know.

323. It would be a perfectly simple matter for a building society, desiring to extend the operations of the Act, to have taken care that their titles were registered?—I do not know. Do you mean by requiring the persons to be registered.

324. Or by their suggesting it?—Yes, I suppose they might have suggested it; but I think you had better hear from them what their reasons were. All I know is that some of the building societies urge very strongly the passing of the Bill.

325. We shall hear why they did not take steps to increase the applications under the present Act. Now, I should like to ask you a question with reference to dealing with building estates. I will assume a building estate is sold in freehold plots. On the passing of this Act it would be presumed, if it is a beneficial arrangement, that the owner of the land would at once proceed to register his title?—He need not, of course, until he first disposes of it.

326. Supposing he did register, then he would either get a possessory title or an absolute title?—Yes.

327. And the office might take certain exceptions to the title for the purpose of registering it as absolute which a purchaser would not care about at all?—It might.

328. He might have a flaw, he might not be able to get an absolute title; he would have to content himself with a possessory title. Now, I will assume that every plot is sold subject to building covenants: would those building covenants go on the register?—No.

329. Then it would be necessary in every case to have a separate deed of covenant?—Yes, I suppose it would.

330. Now supposing a purchaser to sell his registered plot to somebody else, the purchaser from him would simply take the certificate of title from the register?—Yes.

Mr. *Tomlinson*—continued.

331. In that case, what would become of the covenants?—I imagine, if they were restrictive covenants, they might be protected by some caution. At the moment I am not prepared to answer, but I think that might be so. I could not tell you without looking into the Act.

332. You see that might become a matter of importance?—It might.

333. Because the existence of these covenants is a protection that other people have for the proper use of the land?—Certainly.

Mr. *Bolton.*

334. Cautions would apply to certain cases?—I say, I do not remember whether in respect of restrictive covenants it could be applied or not; but I may say at once that I have not all these details necessarily always at my fingers' ends. I did not come to-day prepared to go into the details of the Bill at all, but only to speak to the general scheme of the Bill.

Mr. *Tomlinson.*

335. But apart from that, it would be a practical objection to registration that it might involve the loss of the advantage of having covenants running with the land.

Chairman.] I think the honourable Member is mistaken there. Section 84 of the Act of 1875 provides for the matter. Restrictive conditions as to land about to be registered can be registered.

Mr. *Tomlinson.*

336. In that case, every plot of land sold would be required to have restrictive covenants entered upon the register?—It would have to have the extent of the restrictive covenants entered; not necessarily the whole of the words of the covenants.

337. Then in the case of a building estate in this position, what would be the advantage of registration. In the first instance, you would require a deed with restrictive covenants, and in fact incur as much costs outside the registration as you would at the present time?—Except that you would have no expense as to title at all. If it were registered with absolute title, as to the title, all you would have to do would be to put the purchase on the register. You would have no investigation of title; and, in the same way, in the case of land that had been long on the register, you would simply have to transfer to the next purchaser.

338. But I am assuming the case of a well-known title that is not investigated on sale of building plots?—Of course, in a case in which title would be taken without investigation at all, there might not be much advantage. But then that is not the universal case.

339. I do not quite understand what the position of copyholds is under the Bill. The registration is only of freeholds?—Yes.

340. I do not understand that there is any scheme for the registration of copyhold land?—No; copyhold land is not within the 1875 Act. Only it was necessary to make a provision in Clause 9 of the Bill, because of the question of devolution.

Mr. *Bolton.*

341. The real representative?—The real representative. That was the object of Clause 9.

342. It is quite possible without this system of registration at all?—Yes, quite.

Mr. *Tomlinson.*

343. With reference to the position of ecclesiastical corporations holding land, if an incumbent is the registered proprietor, I presume a fresh registration would be required on his vacating the benefice if the corporation is sole?—I do not know; because a corporation sole is the vicar of so and so, who is always on the register, and whoever answered that description for the time being——

344. In the case of a sale of land belonging to an ecclesiatical corporation, would there be anything to prevent the incumbent selling the land and receiving the purchase-money?—If it is land vested in the corporation sole, whoever is the corporation sole could sell, subject to this: that I take it in this case of a rector, who is the corporation sole, there are certain statutory restrictions upon his selling. If so, of course, they would apply.

345. He would be simply protected by the register treating him as the corporation sole?—Yes.

346. I am not sure whether there is any technical difficulty in the extension of the Act. With reference to Clause 20, provision is there made, in brackets, "For providing a mode in which district registrars are to be remunerated." Of course, that is a provision that cannot be made except in the House of Commons?—That is so.

347. But can the House of Commons, by one Act, make an arrangement which will apply to the case of future extensions of the Act?—Yes, I think so. I do not think there is any difficulty about it.

348. If it were so, then an extension of the Act could not be carried out without further Acts of Parliament?—That is a question of procedure in the House of Commons, upon which I should not like to venture to express an opinion.

Mr. *Greene.*

349. Has any legislation that you are aware of been commenced in the Commons in support of compulsory transfer?—I do not think so. I do not remember.

350. It has, I think, been stated that a Committee of this House, in 1879, reported unanimously against compulsory transfer?—I think they reported against compulsory registration of title, because on the evidence before them they did not think at that time it was practicable; but I am not sure that the scheme of compulsory registration of possessory titles was considered by them. I am not sure that before them the question was not as to registering compulsorily with an absolute title. But I am speaking without having referred to the matter lately.

351. May I ask, my Lord, whether any representations have been made through any bodies, or the public at large, as to the desirability of introducing this legislation?—I have a strong petition in favour of it, and in favour of immediately applying it from a county council; I think from more than one, but one certainly.

The Attorney General again took the Chair.

Mr. *Greene*—continued.

352. I was wanting to ask this: whether the views on the matter of people I am particularly interested in to a certain extent, very small landowners and cottagers, have been elicited at all?—That I cannot say; but the Lincolnshire County Council carried a resolution upon the subject, which was conveyed to me, in favour of it. You asked me whether the House of Commons had ever originated any legislation of this kind. I think there was a proposal relating to this in the Small Holdings Act, and of course that was a Bill which originated in the House of Commons.

Mr. *Bolton.*

353. I think, my Lord, that is until the instalments are paid off?

Chairman.

354. I will read the summary of it from Morris on Land Registration: "The Small Holdings Act, 1892 (55 & 56 Vict. c. 31) empowers the council of any county to acquire any suitable land for the purpose of providing small holdings for persons who desire to buy and will themselves cultivate the holdings. When a county council have purchased land under the Act they are to apply for their registration as proprietors thereof, with an absolute title under the Land Transfer Act, 1875"?—In addition to that the Irish Land Transfer Bill, which makes registration compulsory in the case of a purchase under the Land Purchase Act, originated in the House of Commons and came afterwards to the House of Lords.

Mr. *Greene.*

355. Is there any evidence before your Lordship put forward by cottagers as to the desirability in their interest of having such a measure as this passed?—No, I think not. I think the only people dealing with small holdings that I heard from were the building societies.

356. Can your Lordship give us a clue to some of these building societies, so that one can communicate with them or elicit an opinion from them?—Yes, I am sure I can. There was a long series of articles which appeared in, I think, the "Building Societies Journal" on the subject, in which they discussed it, and answered from their point of view many of the objections taken. They sent me those from time to time, and I have had written communications on the subject.

Chairman.

357. There was a resolution, I believe, or something of the kind, passed by an association representing all the building societies in the United Kingdom?—Yes, I think it was an association of building societies, or the London ones. I will procure that. They went into the thing very elaborately.

Mr. *Greene.*

358. May I ask your Lordship if there has been any estimate of expense that might be incurred in establishing this register, or any estimate of the possible revenue that would arise from the registration fees?—I can hardly say. I have not myself made any such estimate, but I cannot say that there has not been an estimate. The registrar would probably be better able to say as to that.

359. I observe in this Bill, in addition to matters of registering titles, you have some clauses which affect the devolution of the legal interest as to real estate. Are they vital to the question, extent of registering title? Take, for instance, Sub-section 4 of Clause 7, on page 5: "Where a deceased person leaves registered land as part of his estate, his personal representatives shall not, without the leave of the Court or of the registrar, sell the land until the expiration of 13 months from his death"?—I think that a real representative, as it has been called, is essential to any scheme.

360. That would be Clause 6?—Yes.

361. What is the object of restricting the representatives of any person who has the registered title to the land against disposing of it within 13 months?—That was put in for this reason: it was put in to meet an objection taken. It was said that the executor would be on the register, and therefore apparently the person who could deal with the land; that you cannot require the transfer from him until the expiration of a year. Therefore, it was said, if you put in that provision it will prevent him ever selling prior to the time when the devisee could claim to transfer to himself. It is to prevent a possible sale by an executor against the will of the devisee. That is the object. So that by putting in 13 months you pass the time at which the devisee could require a transfer to himself.

362. Your Lordship made a remark that boundaries were a difficult question. May I ask what is the procedure taken in the Land Registry with reference to the alienation of boundaries or the declaration of boundaries in the register?—I think if you asked that of the registrar he could give you more accurate information probably than I can.

363. Does your registered title in any way guarantee to the person who has registered a possessory title that he will be entitled to the whole of the land described according to the boundaries he has put upon the register?—No.

364. Would the registrar have power to decide questions of parcel or no parcel between adjoining owners. Take the case of two estates bounded by a river: one man says, "I claim to register with an indefeasible title, and to put in the whole of the river which my adjoining owner has part of"?—I should think the registrar would not determine that question.

365. Then, shortly, this system of registration is at fault with reference to the adjustment of boundaries?—No, there might arise difficulties as to boundaries, no doubt; that is unavoidable under any system.

366. The difficulty would not be cured in any way by this?—I think it would be cured largely. Of course, when you register with a possessory title you put your boundary at so and so. Of course, that does not bind anybody else.

367. May I not ask this, whether the disputes

Mr. *Greene*—continued.

that most frequently arise between owners of land are not those of parcel or no parcel of boundary?—No, I do not think those are the most frequent disputes.

368. Take an ordinary circuit: are not the cases that are tried there much more frequently to determine important questions of parcel or no parcel than questions of absolute title?—I think, perhaps, that would be so; but there are not, in my experience, many of either. Of course, I do not mean to say there may not be many disputes between neighbours, but I do not think they often come to trial.

369. Then you would not suggest improving this Act by giving power to adjust boundaries?—I should be very glad of any improvement of it that can be suggested. I do not mean, for a moment, to say that the Act is a perfect one necessarily. It is not likely to be in suggesting any new system; and any improvement that this Committee can suggest I should be only too delighted to see inserted.

370. Does this Act at all deal with the exchange of one estate for another. Would registration be necessary in the case of the exchange of one field for another field?—Do you mean under the compulsory clauses?

371. Yes?—I suppose it would be so. It may not be within the words. The words "conveyance on sale" perhaps would not cover conveyance on exchange. It would not be within it.

372. There would be no necessity, then, under your Lordship's scheme to register an exchange?—No; I think there would not.

373. May I ask if there is any reason for the omission of that?—None at all. Of course, it is quite an exceptional case as compared with the other.

374. Now, will you take the case of a very small purchase in a rural district; a person sells a cottage for 120*l.* to 150*l.*; under this system, for 30 years, the purchaser will have to pay all the ordinary conveyancing costs except that of the deed of conveyance; the title would have to be investigated, and, except the deed of conveyance, the same expenses would be incurred as at present?—Of course the amount would depend upon the circumstances under which the property was sold—the conditions it was sold under. I should think that, with property of that sort, there is very seldom a 30 years' title gone into.

375. Then, in addition to that, there would be the cost of being put upon the register?—Yes.

376. And that would be repeated each time there is a transaction during the next 30 years?—Yes. In the case of the registration with a possessory title I do not say that at first it would confer a large benefit upon the person so registering; it is prospective. But I do not think it would impose any burden, if you take the whole together, and it would be the beginning of a system under which he would reap an advantage.

377. I see, by the rules, on each occasion of such a purchase as that, a fee of 1*l.* would be payable, and, in addition, there are charges for maps and other things; has your Lordship gone into the details of the expense to such purchasers?—I have seen what it is, and I think it is very small.

Mr. *Greene*—continued.

378. I see, on page 108, he would have to pay 1*l.*, if under 300*l.*; and then, in addition to that, there would be a great many other charges which I daresay I can get from the registrar when he comes?—Yes.

379. There is the cost of a map being made, and other charges; and that would be repeated, I suppose, every time?—No; because, of course, in the case of a small piece of land which you sold you would not want to repeat the map charge at all. If you cut it up you would, but you would not cut up these very small pieces of land.

380. If, after the property is registered, you alter the boundaries by removing fences and so on, is that to be rectified from time to time at the registry?—I could not tell you what the rules are about that off-hand.

Mr. *Warmington.*

381. I think there is a mistake on the part of some of the members of the Committee. A possessory title does not mean a certificate by an official that the person who takes the certificate is in possession of the estate?—No.

382. Because, by Section 21 of the Act of 1875, I find that "This section shall not prejudice as against any person registered with a possessory title only, any adverse claim in respect of length of possession of any other person who was in possession of such land at the time when the registration of such first proprietor took place"?—Yes.

383. The consequence is, is it not, that the office have never had a case where the wrong person has been registered and damage has occurred to the right person?—No, I believe there has been no such case in the office at all.

384. And the insurance fund is constituted mainly to provide for cases where a person wrongfully obtained a certificate of indefeasible title—absolute title; is not that so?—Yes, but it is not only so; because inasmuch as after the date of the registration of the possessory title everybody dealing has a right to assume that all between that date and the date when he deals is right, if there is any flaw owing to fraud in the interim then the insurance fund would apply to that. But, of course, it would not apply to anything prior.

385. And have you had any information of any fraudulent entries upon the register at present?—No. I believe there has been at present no case.

Mr. *Ellis.*

386. I take it, my Lord, that this Bill comes before us without any political element in it; it is the Bill of this Government and the last Government, and comes to us with a consensus of opinion in the House of Lords?—Entirely so. It is absolutely non-political.

387. And it is in the interests of the public that this Bill comes before us?—Certainly, in the view of those who have conducted it and drawn it.

388. In

Mr. *Ellis*—continued.

388. In order to give the public a more economical and more efficient system of transfer of land?—Yes.

Chairman.

389. I want to ask a very few questions to clear up one or two matters. In the first instance, in regard to the number of small purchases which were put to you by the hon. Member for St. Pancras. In those cases the charge is sometimes very small for small plots of land. I do not know if you have been informed whether there was any investigation of title in connection with those; does it appear at all?—It is some time since I saw them, and though I looked at them at the time I am not sure that I remember.

Mr. *Bolton.*

390. They included the whole transaction; where investigation of title was necessary, of course?—

Chairman.] That may be so; we have not yet had that proved. I do not know whether there is anything in the document which shows it.

It says: "The Birmingham Incorporated Law Society.—On 25th April a circular was sent to all the members of the society requesting certain details as to conveyancing transactions with a view to show the expedition with which such matters are effected under the existing system, and the frequently small cost involved. The Return asked for extended to transactions between 1st January 1890 and the present time. Time being of moment, a reply was requested in the course of three or four days, and this accounts for the fact that a larger number of returns was not received. It cannot be too strongly urged that the transactions referred to below are extremely few as compared with the far larger total, which would represent the conveyancing business of this city alone during the special period named." So that it does not appear to have been the whole of the cases during the period, but only those which were returned by particular solicitors.

Mr. *Bolton*—continued.

391. But there is no suggestion that they selected cases?—I do not suppose for a moment that they selected them; but then they were requested to send details with a view to show the expedition with which such matters are effected, and the frequently small cost involved. Well, I do not suppose that any one who is asked to send details to show small cost involved would send cases which showed a large cost involved. Therefore I do not suggest at all that they made selections beyond doing that which they were asked to do in the circular that was sent to them.

Mr. *Tomlinson.*

392. Are not those mainly costs on the scale system——

Chairman.] I do not think that is suggested. It is the case, I suppose, is it not, that sometimes there is a property of considerable size with a title to the whole which is perfectly well known, and of which the solicitor is trustee?—Yes.

393. He sells in small plots, and in that case I suppose there is no investigation of title at all? No.

394. And the cost of conveyance need be very small?—Yes.

395. But cases of that kind are quite exceptional, and differ from the ordinary cases of conveyance and sale of land so far as the cost is concerned?—Yes, they are exceptional, but I should think the number of such cases are considerable.

396. In regard to the points that were put to you about the risk of fraud in the case of a possessory title, is there any additional risk of fraud by reason of the registration of a possessory title, or is that risk diminished by the registration?—Of course, it is a different risk; and the question is whether it is more or less. I believe it to be less. But, of course, it may be perfectly true to say you get rid of a risk of one kind, and you substitute a risk of another kind. That is perfectly true. But I believe the risk substituted will be much less than the risk got rid of.

Thursday, 23rd May 1895.

MEMBERS PRESENT:

Mr. Attorney General.	Mr. Haldane.
Mr. Thomas Henry Bolton.	Colonel Long.
Mr. John Ellis.	Mr. Tomlinson.
Viscount Folkestone.	Mr. Wayman.
Mr. Greene.	Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. EDWARD PARKER WOLSTENHOLME, called in; and Examined.

Mr. *Bolton*

397. I BELIEVE you are a Barrister-at-Law?—Yes.

398. You are one of the Conveyancing Counsel to the Court of Chancery?—Yes.

399. You have a very large experience, have you not, in connection with conveyancing?—I have had a good deal of experience of conveyancing; I have been 45 years at it.

400. I believe you advised Lord Cairns with respect to the Conveyancing Acts of 1881 and 1882, the Settled Land Act of 1882, and the Solicitors' Remuneration Act?—I had a good deal to do with them, and helped in drawing them.

401. You have, of course, read the Bill which is now before the Committee?—Yes.

402. I believe you wish more particularly to direct your attention to the portions of the Bill dealing with the register, rather than to the minor parts of the Bill, such as those relating to the constitution of a real representative or the registration of incumbrances?—Yes.

403. What have you to say with regard to the principle of Clauses 1, 2, and 3 of the Bill?—The principle of taking a landowner's title out of his charge and putting it into the hands of officials at an office under the control of the State seems to me a wrong principle; and to compel him to part with the care of his title, and to put it under such an office, seems to me not only wrong, but a hardship upon him.

404. What is your opinion in regard to requiring a landowner to pay a premium to guarantee his own title?—I think, under this Bill, in the first place you create a risk for him, and then you require him to pay insurance against that risk. That seems to me to be a great hardship.

405. What is your opinion as to the justice of making the public liable on this guarantee?—I think the public ought not to be taxed to pay for securing compensation to a landowner in case his land is lost.

406. Do you consider that this proposed register of titles will restrict transactions in land, or how will it affect, in your opinion, transactions in land?—I think it will very considerably restrict transactions in land. In fact, the liberty of

Mr. *Bolton*—continued.

dealing with land is now very great, and that is what partly creates complications in titles. It seems to me this Act will unduly restrict the liberty of dealing with land in a way that is not required. Take, for instance, one rather strong case. Under the Bill you cannot put two people on the register as tenants in common in undivided shares; you must put them on as joint tenants, so that when one dies the whole goes to the survivor. If two persons are put on the register as joint tenants the one cannot deal with his share without the concurrence of the other; which seems to me to be a very undue restriction. Perhaps that might be remedied, but I suppose there was some good reason for that prohibition.

407. Under this Bill land can only be conveyed to one or more persons in fee simple or for a term of years?—Yes.

408. And all trusts are kept off the register?—Yes, that is a necessity in the case of a register.

409. The fee simple of the land cannot be divided up in any way under the Bill; what do you say to that?—I do not think that would be an undue restriction.

410. But if the public are prepared to submit to those restrictions, a perfectly simple title can be made to land without adding the trouble and expense of a register; is not that so?—Yes, certainly; you can have those interests kept off the title, and then you would make the title to the land quite simple without the expense of the register.

411. In that case the landlord would have the documents himself, and be his own registrar, would he not?—Yes, and he would not be subject to the liability of losing his land in case a mistake is made in the registry office.

412. It will be his own fault if he loses his land?—It will be his own fault if he loses his land.

413. I think you explained your view on that point to a Committee of this House on Land Titles and Transfer in 1878?—I did.

414. What do you consider the special hardship of requiring a purchaser of land to register his title?—I think the first is his liability to be deprived

Mr. *Bolton*—continued.

prived of his land by a mistake in the registry office. At present, when a purchaser has investigated the title and ascertained that he has got a fairly good title, which he can easily do, he is absolutely safe against all future contingencies, unless he is so foolish as to let somebody enter upon his land and gain a title under the Statute of Limitations. His only peril is as regards the past, in case there has been some omission or something kept back, or something wrong in the earlier title. If there has been anything of that sort under the present law, that is cured in process of time by the Statute of Limitations; and you may say a man after a certain lapse of time, say 10, 12, or 14 years, gets an absolutely perfect title. He cannot be deprived of his land on account of anything that has gone before, and he is absolutely safe for the future. In the case of this register of title, he may be safe as to the past, more or less, but he is absolutely insecure as to the future. His land may be taken away from him, and he may be compelled to take compensation instead; and that compensation may be utterly inadequate.

415. That compensation is calculated upon an estimate not put upon the value of his land by himself, but by somebody else?—Yes, no doubt it is. Moreover, it is not by any means clear on this Bill (in fact, I do not quite see what is really intended), whether the first registered owner, who is compelled to register when he purchases, gets any compensation whatever if he is evicted. The Bill is not very clear upon that point.

416. At the last sitting of the Committee the Lord Chancellor conceded that proposition, I think; that is to say, that the first registered owner who did not prove his title and get an indefeasible title would be liable to be evicted without compensation?—That is clearly so as regards the past, but I am speaking as regards the future. As regards the future, supposing a man is put on the register with a possessory title and then a transfer is forged, so that somebody else is wrongfully registered as owner, it does not appear clear on the Bill whether the first registered owner with a possessory title will get any compensation.

Chairman.

417. I did not quite follow the case you are putting; what are the facts upon which you postulate your proposition?—I put the case of a purchaser who, under this Bill, is bound to put his title upon the register, and I say that before he puts his title upon the register he would have to investigate the past title and be satisfied that he has got a good title. If that is not done he is liable to whatever may happen in consequence as regards the past and the registry is not responsible for it.

418. You are assuming him to register with a possessory title, as I understand?—Yes, with a possessory title. Having registered with a possessory title, I say he is liable to have his title defeated in the future; for instance, by a forged transfer being put upon the register.

419. Subsequent to his registration?—Subsequent to his registration. The first registered owner, with a possessory title, pays no insurance fee, and I suppose is not entitled to compensation if he is evicted by reason of a forged transfer.

Chairman—continued.

Mr. *Bolton.*

420. Even if the compensation scheme were extended to the first owner, it would still leave him exposed to all the risks of being out of his own land and having a mere money compensation for it?—Yes.

Chairman.

421. One honourable Member wants me to try and get the facts upon which you are giving your opinion a little more clearly. As I understand, you take the case of a man who buys an estate, Blackacre; he buys it after investigating the title through his solicitor?—Yes.

422. Then, by virtue of this Bill, supposing it to become law, he must register, because he is the purchaser; he thereupon registers with a possessory title?—Yes.

423. After he has registered the possessory title, you assume there is a forged transfer from him to somebody else of this estate, Blackacre, and the forger takes the forged transfer to the registry office, and gets the registrar to insert it upon the register?—Yes.

424. So that the transferee is apparently the registered owner?—Yes.

425. Then you say, query, whether under this Bill, in such a case, the real registered owner whose name has been forged is or is not to have compensation; that is your point?—Yes.

Mr. *Bolton.*

426. Under this Bill it does not appear that the real owner of property with a possessory title who is deprived of his property will get any compensation?—That is what is left in doubt. If you will allow me to refer to the first paragraph of Section 3, it does seem to give him compensation, because it says "Any person suffering loss thereby shall be entitled to compensation"; "any person" there would seem to include the first registered owner.

427. Even if he did not lose his land he would be involved in a lawsuit about it?—Yes, of course he would. You will observe that it is within the power of the registrar to settle which party is to have compensation and which is to have the land.

428. Assuming, for the sake of argument, that the real owner does assert successfully his position as owner, and that he is restored to the register, or the fraudulent entry is struck out, that result can only be arrived at after a very awkward and serious lawsuit?—No doubt, and you will observe that the person who is to decide that is the registrar, who is the servant of the State; he has to decide whether the State has to pay compensation or not.

Chairman.

429. It is subject to an appeal to the court, is it not?—It is subject to an appeal to the court; but then I think it is not the practice of the courts to interfere with a discretion exercised by a Judge of First Instance, as a general rule.

Mr. *Bolton.*

430. This would be largely a matter of discretion

Mr. *Bolton*—continued.

discretion, would it not?—It would be largely a matter of discretion.

431. Therefore, in the first instance, the effect of this Bill is that a man might be deprived of his property and paid such compensation as somebody else, who, perhaps, would be interested in putting the price at a low figure, has put upon it?—Yes.

432. And if he succeeded in asserting his position it would only be after law proceedings before a tribunal where the judge would have an interest in maintaining the integrity of the system which had inflicted this loss, and saving the State (the party paying the compensation) from making the payment?—Yes; you see if the man who gets on the register by a forged transfer is adjudged compensation the State will have to pay it. If he is adjudged the land the State will have to pay nothing, because the first registered owner gets no compensation as the Bill stands at present.

433. Then, putting it in plain language which ordinary people will understand, may I take it that your opinion is that this Bill will make a man more insecure in his property than he is at the present time?—He would never be secure for ever hereafter under the Bill. At present, after a certain number of years, he gets an absolutely perfect title. Under the Bill he never will obtain an absolutely perfect title.

434. Have you considered how far it is just, if there is to be compensation paid, to give the compensation to the real owner of the property in lieu of his land, or to pay the compensation to a person who is defrauded in consequence of this system of State set-up transfer; which of the two ought to have the compensation, in your opinion?—I think, under all circumstances, the true owner of the land ought to keep his land, and the compensation ought to be paid to the man who comes in under the defective transfer.

435. There might be more than one person who would have to be compensated upon the fraudulent transaction, might there not?—Yes, I think so.

436. Therefore the compensation might amount to a very considerable sum?—The compensation is limited by the Bill, I think.

437. Is it fair to limit the compensation, so that a man does not get full compensation for the injury he sustains?—I do not think it is.

438. Therefore you think the compensatory provisions, in the case of fraud or mistake, ought to be very largely extended if justice is to be done?—I think so.

439. So far we have been dealing only with frauds committed by individuals as against one another; but is there not a possibility of a colossal fraud in the case of a registrar who commits frauds?—I think so.

440. The possibility of a fraudulent registrar would open up liabilities, so far as the public are concerned, of a very grave character, would it not?—I do not think that the public would be under greater liability in the case of a fraudulent registrar than in the case of any other fraudulent person under this Bill, so far as I can see. The amount of compensation is strictly limited.

441. I am assuming that if the matter is dealt with at all, Parliament would make the compensation a really sufficient compensation to anybody who is injured. Assuming that to be so, would not the case of a fraudulent registrar open up possibilities of colossal litigation and colossal compensation?—Certainly it would; he might cause a number of fraudulent entries to be made in a great number of different titles; he might enter them in new names, for example.

Mr. *Bolton*—continued.

442. Then may I take it that, on large grounds of public policy, and from the State point of view, you see grave objections to setting up such a system of compulsory registration and compensation as is proposed in this Bill?—I do. The instances that we have had already in the case of companies, for example, the Redpath and Robson frauds, were exactly of the kind you mention.

443. Possibly you might assist us by giving cases which might illustrate the answers you have been good enough to give?—Perhaps I might refer to a case before the Privy Council, that is reported in Appeal Cases (1891), where the owner of a registered charge in the Colony of Victoria not only lost his charge but got no compensation.

Mr. *Tomlinson.*

444. Can you give the reference to that case?—Yes, it is the case of Gibbs *v.* Messer (1891), Appeal Cases, page 248. That was a very curious case. There a man who had *bonâ fide* advanced his money and got his charge placed upon the register was decided to have no charge. His charge was ordered to be taken off the register, and he was not allowed compensation out of the insurance fund. The Court in the Colony decided that he was entitled to compensation out of the insurance fund, but the Privy Council here reversed that, and decided that he was not entitled to compensation. That shows that a system of this sorts lays certain traps for the unwary; because there is a case where a man who was supposed to be insured lost his charge, and was held not to be entitled to compensation.

Mr. *Bolton.*

445. Whose fraud was it?—It was a very curious case. A solicitor of the name of Cresswell, whose client was in England, forged his client's name to a transfer to "Hugh Cameron." Hugh Cameron was a dummy and did not exist. Having committed the first forgery, he then forged in the name of Hugh Cameron to some people of the name of McIntyres, and then when it was discovered they tried to enforce the charge. The Court in the Colony decided that the charge was bad, but that they were entitled to compensation out of the insurance fund. The Privy Council decided (it was rather a curious decision, I think), that as Hugh Cameron had no existence, the charge to the McIntyres executed in the name of Hugh Cameron was an absolutely null and void document, and that consequently they never acquired anything under it. It seemed to be admitted that if Cresswell had transferred the land by a forged charge direct to the McIntyres they would have been entitled to compensation; but the principle laid down by Lord Watson in that case was that the purchaser was bound to see that the man who transferred to him was identical with the man on the register. I think that decision would be rather a surprise.

446. That

Chairman.

446. That was not the case of a fraud by a registrar?—No.

Mr. *Haldane.*

447. Nor was it a case of the true owner losing anything?—No.

Mr. *Bolton.*

448. Of course, there have been innumerable cases of persons who had custody of the registers making use of the registers for fraudulent purposes?—Yes.

449. That being so, there is no reason, is there, to suppose that there would be absolute immunity in connection with any State register?—Certainly not.

450. It has been argued that, because there are registers of stocks and shares, it would be desirable to establish a register of dealings in land. Can you give us your opinion upon that proposition?—I think, if it is established at all, it should be a very simple register. I do not think there should be a register of dealings, but there might be some register to protect people's interests.

451. That is to say, merely a sort of distringas register?—Yes.

452. Do you see any argument in the proposition that, because one class of property essentially different from land, namely, stocks and shares, is easily transferred by a register, therefore land should also be transferred by a register?—No; I do not see anything in that argument. It is necessary to keep a register of stocks and shares in order to pay the dividends, and being obliged to keep a register for that purpose you may as well make use of it for other purposes.

453. But if transfers are simple, and transfers of land are very frequently, as regards the documents themselves, as simple as the transfer of shares, there is no advantage whatever in a register, is there?—No, I think not.

454. You said that in your opinion this register would seriously curtail the liberty of dealing with land, and would impede the transactions in land in the country; have you considered the effect of a register upon small transactions?—I think that upon small transactions it would increase the cost. When Lord Cairns brought in his Bill for the Act of 1875 it was represented to him that there were numerous transactions in some of the large towns in which the solicitor's charge was only 15*s.* I think it would be utterly impossible to effect a transfer on the register for 15*s.*, considering that there would have to be expenses in the way of attendances by the solicitor, and railway expenses, and other small matters of that sort.

455. There is not only the expenses of the Government Office, but there would be the cost of plans, I suppose?—Yes, I think so.

456. A large and integral feature of this scheme of registering land is the preparation and lodging of plans, is it not?—It is. The plans may, or may not, be troublesome; but I think in some cases they would be troublesome, especially in small purchases.

457. Then there would be the cost of preparing the documents, and the expenses of

Mr. *Bolton*—continued.

lodging them, such as you have referred to?—Yes.

458. Speaking from your own knowledge, derived from the association you had with Lord Cairns in connection with the preparation of these Acts, is it not the fact that Lord Cairns came to the conclusion that registration was inapplicable as a general proposition to small transactions?—I believe that is the case, and for that reason he put no compulsory clause in the Act of 1875.

459. He came to the conclusion, did he not, that with regard to transactions under 300*l.*, or anything like that amount (I think he fixed the amount at 300*l.*). registration was not only inconvenient but unnecessarily expensive?—Yes, I think he came to that conclusion.

Chairman.

460. Can you give us the reference to that conclusion of his?—I do not know that I can, but I think it would be found in his speech on introducing the Bill for the Act of 1875.

Mr. *Bolton.*

461. Is there any comparison between title, as it exists generally in Australia, originating in a simple grant from the Crown, and title as it exists in this country?—No, the titles in Australia are almost quite simple. It is very rare, I believe, there to have a settlement. The origin of all titles is a grant from the Crown, and the land is granted out in large blocks, of which the boundaries are quite clear.

462. Then a system, which in Australia might answer with plans and entries on the register, starting with a Crown title, an absolute title, is not a system that is applicable to the complicated title that exists here, having regard to the character of the small transactions, and the enormous number of varied transactions that take place here?—I do not think it is applicable to a very large number, or, I may say, the greater number of transactions in this country.

463. I think you are aware that even in Australia the system is not compulsory, except as to land, the title to which commences with Crown grants?—I rather think in practice the transfer is always registered in Australia; whether it is absolutely compulsory or not, I am not quite sure.

464. Are there many incidents connected with the ownership of landed property, houses and land, in this country which, in your opinion, ought to be referred to on the register?—Yes.

465. Such, for instance, as rights of way, or easements?—Yes; no doubt in some cases they ought to be referred to.

466. Does this scheme propose anything of that sort?—There is difficulty, so far as I can see, in the case of a register, in creating such interests where the land is already registered.

Mr. *Greene.*

467. You mean in creating them after registration?—Yes, after registration. For instance, if a man whose land was registered, wanted to create or give another adjoining owner a right of way over it, I doubt whether that could be done

Mr. *Greene*—continued.

on the register; I do not see any means of doing it myself.

Mr. *Bolton.*

468. As to the restrictive covenants which are sometimes necessary in dealing with landed property in this country, do you see how a register such as that could be worked?—I think at present they do practically put on the register certain restrictive covenants the burden of which can run with the land.

469. That all reduces the simplicity of the register, does it not?—Of course it does.

470. Which simplicity is said to be one of its chief advantages?—Yes.

471. In dealing with land where land is released, we will say, from a charge, is there any provision in this Bill to deal with that?—There is, if the whole charge is re-leased; but I think if part of the charge is paid, there is no means of recording that.

472. Even supposing that were amended, that would still further reduce the simplicity of this system of register transfers?—I do not see that that particular case would create much complication. There might be simply an entry that so much only of the original loan remained due.

473. The main principle which is put before the public in connection with this Bill is that the owner of the land is to have a certificate like a share certificate, and that is to enable him to deal with his land, and do what he likes with it, without lawyers or expenses, or fees, or anything else?—Yes.

474. Is any idea of that kind at all practicable?—I do not think so.

475. With regard to mines and minerals, there would have to be a very considerable alteration in this Bill, if the Bill is to be made a workable Bill, to deal with them, would there not?—Where land with a mine or minerals under it has been once put upon the register, I do not see any means of severing the mine or minerals afterwards from the land on the register.

476. Or any reservation of a fee-farm rent, or anything of that sort, on the grant?—There is a provision as to fee-farm rent in the Act of 1875. Section 82 provides for a grant of the land, reserving a fee-farm rent.

477. What would be the title, so far as the register is concerned, of the owner of the fee-farm rent?—I suppose they would put the fee-farm rent upon the register as well as the land out of which it issued, under the Act of 1875.

478. With regard to leases, a lease would be entered, I suppose, on the register under this scheme, as a sort of encumbrance on the land, or charge against the land?—I suppose it would be entered as affecting the land.

479. Then it would also be dealt with as a separate property, would it not?—I think so.

480. So that there would have to be a separate register of leasehold property?—Yes, I think so.

481. Have you considered whether the Bill in its operation on leasehold property is restricted to the class of leases that are put upon the Middlesex register?—The clause in the Bill as to leases seems to me to be very general; it is not, so far as I see, restricted at all.

Mr. *Bolton*—continued.

482. I put it to the Lord Chancellor on the last meeting of the Committee, whether this Bill would not enable his Lordship to require all documents of the nature of leases, whatever the term granted, to be brought in and registered, or to be granted by means of entry on the register, or to be transferred by entry on the register?—It seems to me that it would be so; it is dealt with in Section 20, Sub-section D.

483. Therefore this scheme would not be confined only to leases of 21 years, and on less than a rack-rent?—That, of course, would all depend upon the order made.

Chairman.

484. Do you not think that Section 20 incorporates the Land Transfer Act of 1875 sufficiently to limit the leaseholds dealt with by that clause in the Bill to leaseholds which are within the Act of 1875?—Perhaps it might.

485. What struck me was (I may be wrong) that under this section, if the Lord Chancellor made a rule under Section 111 of the Land Transfer Act of 1875 relating to leaseholds, it would only apply to such leaseholds as the Act of 1875 applied to?—You will observe that there is a previous sub-section which also provides: "For modifying the provisions of the Land Transfer Act, 1875, as to the registration of proprietors of leasehold land."

486. However, it is a matter of construction?—Yes.

Mr. *Bolton.*

487. His Lordship accepted, in one part of his examination before the Committee on the last occasion, the proposition that all leases, whatever their terms, should come on the register; but do you consider, as a conveyancer, that that would be a desirable or a practicable proposition?—I think it would be a great hardship to require all leases to be put upon the register.

488. Would it be attended with any benefit whatever to anybody except the office in respect of the fees?—I do not think it would do any good.

489. Assuming for the sake of argument that this scheme were brought into operation in accordance with the Bill, how long do you think it would take for a man to convert a possessory title, taking an average case, into an indefeasible or absolute title?—It is very difficult to say, but I think that, supposing he had a clear conveyance in fee to show when the title was put on the register, in 25 or 30 years' time he would have a title that anybody would accept; but not sooner than that. You must go back, at all events, 25 years to be safe.

490. It is your opinion, as a conveyancer, that under this Bill that would be the operation of it?—Yes; you would not get the full benefit of this Bill for 25 or 30 years.

Chairman.

491. You mean that would be so, so far as a possessory title goes?—Yes.

492. Or any title, unless you went in and proved your title?—Quite so.

493. Now

Mr. *Bolton*.

493. Now as to going in and proving your title, is there not a vast deal of difference between the investigation of title by a willing purchaser and the investigation of title by a public official, who has behind him the dread of any omission or neglect which would make his office responsible and his insurance fund liable?—There is a great deal of difference. I may say I am constantly accepting titles without hesitation, which I do not think the registrar could properly accept; he must go into them much more strictly than I or a solicitor employing me would think of doing.

494. Does not a willing purchaser at the present time dispense with a great many things in investigating title, which a public official like a registrar of land titles would be bound to insist upon?—Undoubtedly, he dispenses with a great deal of evidence that a registrar would require.

495. Would not the effect be that a great many titles which are now accepted and are perfectly safe would be rejected by the registrar for absolute title?—Yes.

496. He might enter them on the register with qualified titles?—Yes, he might enter them with qualified titles.

497. As a matter of practical dealing with land, it would be nearly as bad to have your title registered as a qualified title as to have it refused altogether, would it not?—Certainly; it implies that there is something bad before the date of the qualification.

498. It, in fact, points out a blot on the title which otherwise might never be discovered?—I think so.

499. And suggests litigation?—Yes.

500. Would not the fear of having your title either refused or entered as a qualified title be sufficient to deter a very large number of prudent and thoughtful persons from attempting to register their titles as indefeasible or absolute titles?—I think so.

501. Therefore, in most cases a man would prefer to register his title as a possessory title?—I think so.

502. If he did that he would be exposed to all the risks and disadvantages which you have described?—He would have the same risk as regards the past as he was subjected to before, but he would add to that the risks in the future.

503. Therefore the suggestion that he could get either an absolute title by proving his title, or a qualified title, is no answer to the objections that exist to the registration of a possessory title; is not that so?—I think so.

504. I suppose the fees would vary according to the trouble that was put upon the office, and the expense might be very considerable?—I have not examined the list of fees that are to be charged; but my impression is, that whatever the trouble is the fees in the office are the same, except the out-of-pocket fees, such as those for preparing maps, and matters of that sort.

505. But the fees, as a whole, while they might be decreased by the quantity of business, might, on the other hand, be increased?—Yes.

506. From your knowledge of large transactions in land, and the large number of such transactions, I suppose you consider that a very large number of persons would be required to

Mr. *Bolton*—continued.

work this scheme as officials?—I think a very large number of persons would be required; and supposing you establish district registries, you must have in charge of those registries officials of the same high class as you have at present in London, and that would entail an enormous expense.

507. And unless you have a very full and very efficient and very expensive staff there would be great delay in dealing with these transactions, would there not?—Certainly.

508. Unless you had local registries there would be great danger as to the identification of the parties, the transferrors and transferrees, would there not?—Yes, I think so.

509. And in dealing with the land there would be questions of identification, and as to maps, and all that sort of thing?—Yes.

510. Do you not think that instead of trying to set up this register of titles it would be desirable in some two or three ways to endeavour to simplify the present system and improve it?—That has always been my view. I think you have got to take a middle course between a too free dealing with land and too much restrictions. You want to curtail a little the dealing with land, and by that means you would simplify titles. I think by a very slight curtailment, which would not have any injurious effect on the ownership of land, you might so simplify the law as it is at present that you would not want these registers; they would, in fact, be superfluous.

511. Could you favour us with any suggestions which you have to make as an alternative to this Bill?—I have considered the subject for a long time, and if the Committee wish I can furnish them with a sketch of what my suggestions would be. I have here a short statement which was printed in the "Solicitors' Journal" of last year, which I could put in if desired.

512. Without entering into details, perhaps I might shortly put to you a few suggestions which I understand meet with your approval. In the first place, would the establishment of a real representative (that is one of the provisions of the Bill) go a great way to simplify certain portions of the law of real property?—It would go a very long way to simplify titles.

513. If you had some sort of distringas register so as to give persons who claim to be interested in land notice of any dealings by the owner of it, would that in your opinion practically protect all interests that require protection of that kind?—Yes, bringing it as nearly as possible on to the same plan as distringas of stock, making it simply a sort of guard.

514. Are those substantially the suggestions you would make to the Committee as alternative proposals to this Bill?—They are scarcely alternative proposals to the Bill; I would rather put it in this way, that you can simplify the law so as to make this Bill unnecessary.

515. The result of your evidence, if I may sum it up, is this: that you consider that the main proposals of the Bill (excluding, of course, the proposal for the establishment of a real representative and possibly some improved register of the charges on land) are undesirable and unnecessary; and so far from simplifying or

Mr. *Bolton*—continued.

improving the title to land you think they would make it in many respects more difficult and more dangerous for the owners of land, and, as to vendors and purchasers, not more economical; and that in the main the scheme is inapplicable to small transactions, and, in fact, you give to the Committee an adverse opinion with regard to the Bill?—Yes, as regards the compulsory clauses. I think there may be certain cases where registration under the Act of 1875 has been useful, and there is no reason why the Act should not remain to be availed of when any person wishes to make use of it; and then, of course, these other amendments that you referred to of the Act of 1875 might be useful.

516. You would leave the registration scheme on its present basis as a voluntary register, to which those who like to resort to it can go?—Yes.

517. You would not compel anybody who did not want to have to do with it to go to it?—Yes. I believe that it has been found useful in some particular classes of property.

518. The proposition that I put to you applied to the Bill as a whole?—If you apply it compulsorily to all property, I think it would be mischievous.

519. Your opinion is that it would do no good, and a great deal of harm?—Yes.

Mr. *Greene.*

520. Would you kindly tell me whether the view you have expressed is your own personal view, or whether you think it is the view generally of the branch of the legal profession to which you belong?—I am only expressing my own personal view, but I think there are a large number who would agree with me.

521. You gave evidence, I think, in 1878, before the Committee on Land Titles and Transfer?—Yes.

522. I think that the result arrived at by that Committee was that they unanimously reported against compulsion?—I think so.

523. Are you of opinion that the alterations of the law subsequent to 1878 have rendered the project of this Bill even less serviceable than it would have been in those times?—I think they make all the difference. I think, considering the law as it stood in 1875, Lord Cairns' Act of that year might have lessened the expense considerably; but the fact is, conveyancing is now quite revolutionised and deeds are extremely short; deeds are only long when there is a very long description of the property; their operative part is very short.

524. The change that has been made as regards solicitors' charges has also affected the matter?—Yes, solicitors are now paid *ad valorem* charges.

525. You assent fully, I believe, and without reservation, to the proposal of the Lord Chancellor in this Bill as to the alteration in the devolution of real estate; that is to say, you affirm Clauses 5 to 11 constituting the personal representative as the real representative?—I think that would be of the greatest use; I think it would be one of the best amendments that has been made for a long time.

526. Is it your opinion that that is the only part of the law on this subject that should be

Mr. *Greene*—continued.

altered at the present time?—I think there might be other minor amendments.

527. But no amendment in the direction of registration?—Not in the direction of registration.

528. You told us that under this Bill you could not put two people on the register as tenants in common, but that it would be necessary to put them on as joint tenants; is that in your experience an undesirable measure?—Where people are holding in separate shares it is very undesirable.

529. I do not know whether, for the information of Members of the Committee who are not familiar with the difference between "tenants in common" and "joint tenancy," you could explain it in a way that would be understandable to everybody?—A "joint tenancy" means that the property necessarily goes to the survivor, and, if there are more than two, to the last survivor; so that the interests of those who died are at the mercy of the survivor. In addition to which, while they are all living, no one of the joint registered proprietors can deal with his share without the concurrence of all the others.

530. At present the law is otherwise, and supposing property is owned by three persons, the two can sell their shares independently of the third person?—That is so.

531. That would be prevented if the Bill as it stands now before the Committee were passed?—Yes.

532. You made reference to the Statute of Limitations; supposing a person registered his title, what would be the effect, so far as the interest of the registered owner was concerned, of any one else occupying the property for over 20 years?—The Act of 1875 expressly provides that no title shall be acquired as against registered land by lapse of time; it, in fact, repeals, so far as registered land is concerned, the Statute of Limitations.

533. Then the effect of registration under the Bill now before the House would be that the title would remain in the person who was registered, and the person who had been occupying for perhaps 20 years in undisturbed possession would acquire no title, is that so?—If he had occupied the land for that time when the land was first put on the register, he would already have acquired a title to it. But I understand you to be putting the case where, after the land has been put on the register, another person has occupied it for 30 years; in that case he would get no title.

534. In your judgment, would that be a very great detriment to dealing with land?—I think it would.

535. I apprehend you base your opinion upon the fact that the Act of 1875 is to be incorporated as one with the Act now before the Committee?—Yes.

536. Do you know, as a matter of fact, that many titles on which small properties in the country are sold are properties with nothing more than a possessory or statutory limitation title?—I should think that there are often bits of land at the outside where the title solely depends upon the Statute of Limitations.

537. In

Mr. *Greene*—continued.

537. In such a case as that, if this Bill passed, a person other than the registered owner, occupying the land for as many as 30 years, would never acquire a title?—Yes. It often happens that adjoining owners straighten their fences and give and take a bit here and there, and execute no conveyance and leave the title to be acquired by lapse of time. A registered owner and another adjoining owner not on the register could not do that if this Bill passed.

538. That, you think, would be a detriment, as regards the value of the land, in disposing of it?—Yes.

539. While you are upon the question of boundaries, may I ask you this: what would be the effect of this Bill passing as regards the title even of a registered owner to the boundaries of the property according to the map he deposits in the office on the claim he chooses to have registered there?—The registered title is not conclusive as to boundaries. It has occurred to me to ask, what does the word "boundaries" mean? It seems to me you might be the registered owner of a piece of land 100 yards each way, and it might be said that the boundaries were 10 yards wide. If somebody claimed 10 yards inside the registered boundary, I suppose the 10 yards would be the boundary, and not conclusive. There is no definition of "boundary"; it may be a few feet or it may be anything you please. That seems to me to be rather a difficulty.

540. In Australia is it not the fact that there is an official map according to which the titles are registered?—Yes.

541. They are registered according to such descriptions as may be understandable upon the official map?—Yes. As I understand it, in Australia the origin of all titles is a grant from the Crown, and the grant from the Crown has a map which accurately defines what is granted, and you have nothing to do but to look back to that to find your boundaries. You cannot look back to anything in this country to see what the boundaries are.

542. It is not proposed in the Bill that there should be an official map, is it?—No.

543. Each man has to keep his own map of, I was going to say, what land he would like to have, or what land he would like to be registered for; is not that so?—Yes, I think so. Of course he has to make a declaration that he is in possession, and to show a *primâ facie* title.

544. If he makes a false declaration and dies, he cannot be visited with any punishment, can he?—I think not.

Chairman.

545. The purchaser and seller have to agree, have they not, as to what they are dealing with?—There may be a map showing the property.

Mr. *Greene.*

546. There is nothing, is there, to require that the vendor shall agree in the description the purchaser may choose to record in the registry office?—I have here the map which is given in the official guide as to transfers under the Act of 1875, and there the land is conveyed as all that bounded by a pink line, which is shaded on this map; that in itself is a large boundary.

Chairman.

547. That is the state of things under the existing law?—That is under the existing law.

548. Whether this Bill was passed or not, would not alter that?—It would not alter that.

Mr. *Greene.*

549. I want to get at what is the existing law with regard to securing a man who puts his property on the register; that is to say, that the boundaries will always be held to be his property as he described them in the register?—Yes; there is no security as to what the extent of those boundaries may be.

550. Let me see if I understand what the practice would be. A contract of sale takes place for the purchase of a field; the vendor is not interested after the purchase has been completed in seeing anything as to the description on the register of the boundaries of that field, unless he is the adjoining owner all the way round?—No, he is not interested.

551. The purchaser is the person who has to put on the register the description of the piece he has bought?—Yes.

552. He may without check rather enlarge the boundaries of what the vendor had sold to him, may he not?—He would be making a false declaration if he did that.

553. I quite concede that; but supposing he makes a false declaration, when could it be discovered; I presume only when the adjoining owner questions his right?—Yes.

554. That might not be for many years?—That might not be for many years.

555. The man who made the declaration might be dead and incapable of being dealt with, at all events, in this world?—Yes.

556. Does it occur to you that there might be very constant disputes arising owing to inaccurate descriptions of boundaries upon the register?—I think so, because they are only described by the map.

557. By an unofficial map?—Yes; an unofficial map, except so far as it is put upon the register. In ordinary conveyances we describe the land by the adjoining owners to a great extent, and by roads as far as that can be done (of course that cannot always be done); and that is a great assistance in ascertaining boundaries; and we also invariably describe the persons in occupation or the tenants. That is a great assistance also, because it can always within a limited time be shown hereafter what a certain tenant was in occupation of.

558. That is not the system pursued in the case of registration, I believe?—No; it is solely dependent upon the map.

559. That is a map made by the person who is interested in having the registration effected?—I think the map is corrected in the office. The course, I think, is, that the man brings in a sheet of the Ordnance map and points out what he claims, and then, I think that, with his statutory declaration, is accepted, and he is registered with a possessory title.

560. There is no one called in to say whether they dispute his allegation that the boundaries are properly described?—I think not.

561. There is no provision in the Act for the registrar

Mr. *Greene*—continued.

registrar to decide whether the person who claims is right, or an adjoining owner who may claim a different boundary?—I think not in the case of a possessory title.

562. After registration, do I understand you to say that there is no way of rectifying the register, or altering the descriptions upon the register?—The Court can do it, I think. There is a clause in the Act enabling the Court to do it.

563. Supposing the surface of the land is altered by a change of hedgerows or boundaries or watercourses, so that the map ought to be altered, is there any way of doing it?—I do not think you would be concerned with anything except the outside boundary; you would not care about the internal hedgerows.

564. Supposing a person had an estate and described it on the register, and it was at that time bounded by a hedge, and he chose to remove the hedgerows and alter the boundaries, could he alter it in the register?—I do not think you can make any alteration in the register, except through the Court.

565. That would involve an additional expense, I presume?—Yes.

566. With regard to minerals, what do you say?—After land with the minerals under it had been put upon the register, I do not see in the Act any means of conveying the minerals separately from the land. You can originally register minerals apart from the land, but I do not see any means of severing them.

567. That does not go to the principle of registration or non-registration of title, does it; but it is a detail in the Bill that might be amended in Committee?—That particular point might be amended.

568. That is a Committee point rather than a matter of principle affecting registration, is it not?—Yes.

569. Take the case of a possessory title: a person acquires, we will say, by buying under the hammer at an auction, a piece of property, and he has to register it; what means has he of ascertaining whether there are any outstanding settlements; it may be, for instance, that there is a marriage settlement which may have 20 or 30 years to run?—Of course, at present that is the only great danger in regard to titles; but what you rely upon in that case is that you deal with a respectable solicitor who acts for the vendor and who will not allow anything to be kept back, and in that way all the deeds are disclosed; in addition to which the solicitor or the vendor who keeps back deeds knowingly and does not disclose them is criminally liable now, I think.

570. Would there be less security to the purchaser if there were a system of registration of title; would it lull people into a false security?—The result, no doubt, would be this: that when you get a transfer from a person on the register you would feel safe so far as the register was concerned, but then the past title would have to be investigated for, say, 25 or 30 years back from the time when it was put on the register.

571. May I take it that for the next 30 years at least you would have every time to go through exactly the same experience as you do now in ascertaining if the possessory title was a true

Mr. *Greene*—continued.

one?—You would go back just the same as regards the time before the registration, and then you would look at the register. That is to say, supposing this Bill passes in 1895 and you are purchasing land in 1905, you would investigate the title in the ordinary way up to 1895 and then after that you would rely upon the register.

572. As regards boundaries; you would still have to go on keeping the deeds of the property in order to see what the boundaries were?—Yes, the boundaries would depend upon the old title.

573. So that for 50 years hence, or even longer, you would have to go on with your old deeds in order to secure that your boundaries were right?—Yes, except this: that the registered owner can acquire a title under the Statute of Limitations against the non-registered owner outside. But if two registered owners come together they can acquire nothing against one another.

574. Then it would fall back upon the old title?—Then you must fall back upon the old title.

575. So that you would have to keep the deeds just the same as you did before?—Yes, to show what the boundaries were.

Chairman.

576. Would not a 12 years' possession under a possessory title be practically a sufficient indication on the question of identity as to the boundaries?—No, I do not think it would be of any use. The Statute of Limitations is actually barred by the Act of 1875.

577. Is it barred so that the registered owner cannot get a title by the Statute?—The registered owner can get a title under the Statute against a non-registered owner; but supposing that there are two registered owners adjoining one another, neither could gain a title against the other.

Mr. *Greene.*

578. So that you would always be having to go back to the original deeds?—Yes.

Mr. *Bolton.*

579. Of course, if the system became universal, there would always be two registered owners adjoining?—Yes, nearly everybody would be registered.

Chairman.

580. So far as boundaries were concerned, then, you would for a period of 25 years be in the same position as you are now?—Yes.

Mr. *Greene.*

581. Or more than 25 years, as I understand, it would go on almost for ever?—Yes, for ever. You would never acquire a title unless you could get what was done in some cases; that is to say, that the courts would presume a title from long ownership, independently of the Statute of Limitations; that might be done.

582. You gave an answer to the learned Attorney General which I should like to have a little more clearly explained. I understood the learned Attorney General to give a hypothetical

Mr. *Greene*—continued.

thetical case in which he seemed to assume that if there was a forged transfer the transferee would be the person to remain on the register; would that be so?—That depends upon what the registrar says; he has power to give compensation, or to give the land.

Chairman.

583. I did not mean to assume that the transferee would remain in possession?—It would be in the discretion of the registrar.

Mr. *Greene.*

584. But in the case of a forged transfer, would the transferee get any title?—Strictly speaking, the forged transfer would be null in law; but in the case I mentioned before the Privy Council, I think Lord Watson said that a forged transfer to a *bonâ fide* purchaser, who got his title put on the register, would give him a good root of title on the register.

Chairman.

585. That would depend upon the terms of the Australian Act, I presume?—It may depend partly on the terms of the Australian Act.

Mr. *Greene.*

586. That Act may not be the same as the Bill now before the Committee; as to that you do not know?—No.

587. Do you consider it important that there should be a provision that any alteration with regard to charges should be recorded upon the register. Supposing, for instance, there was a charge upon an estate for 2,000*l.*, and part of that was paid off, and the charge remained at 1,000*l.*, do you think that the alteration from 2,000*l.* to 1,000*l.* ought to be recorded in the register?—I think, when a possessory title is registered, the person who registers it ought to be required to put on the register all the charges of which he has knowledge.

588. And as they are reduced from time to time?—As they are reduced from time to time they might be entered on the register as satisfied, on proper proof to the registrar.

589. Do you not see a practical difficulty in making people come in and record these alterations?—It might be rather awkward in this way: that there might be a charge which was dying out from non-claim, and the putting it on the register might revive it.

Chairman.

590. You are speaking of a charge that would still be really valid though it was dying out from non-claim?—Yes.

Mr. *Greene.*

591. Do you see any difficulty requiring a particular class of witnesses to identify the transferors and transferees?—I do not think you can take any witness. The Bank of England at present are very strict; they will take no identification except from the stockbroker or banker; they absolutely refuse identification by any other person.

592. If this system of registration, as proposed under this Bill, were established, would there have to be a class of persons, either solicitors or some other body, who would have to be witnesses to the document of transfer?—I think it must be so.

Mr. *Greene*—continued.

593. Or do you gather that it would be necessary for persons to go to a special central town where the registrar lived?—If a man lived out in the country he might have to go to the nearest place where there was a solicitor, which might be several miles off, to get his transfer attested.

594. Would that be detrimental to small owners of property, in your judgment?—I think it would.

595. You were asked to indicate in a very sketchy way some proposals which you thought would make it unnecessary to pass this Bill into law, and which you thought might well be adopted; do you think that sales by the High Court for clearing titles could be altered in any way?—I think it is beneath the dignity of the High Court to sell a property and then set me to draw conditions which would make a man take what is substantially not a good title. I think they ought to sell the land, and then advertise for any claims, and distribute the purchase-money according to those claims, very much in the same way as the administration of the estate of a deceased person is dealt with.

596. If any sale were effected through the Court on the system you suggest, an indefeasible title would be given to the purchaser?—Yes; I think that would be the means of clearing a good many titles.

597. Would that be very easy, and would it have a good effect in clearing off doubtful titles and starting things afresh without the necessity for this Bill at all?—Yes, it would be precisely the course that the Landed Estate Court in Ireland take.

598. Without any necessity for the registration of title?—Yes; it would clear up a great many doubtful titles.

Mr. *Haldane.*

599. You do not suggest, do you, that the practice of going to the Court to get titles cleared should be enormously extended?—I think the result would be that you would get a higher price for the property.

600. But I thought we were told that the existing grants of title did not count for much, that they made very little difference?—The result would be simply to transfer the title from the land to the money. The Court would sell the land, and, the money would come into Court.

601. Your proposition is that titles should be cleared by the Court, and that that should be done very largely and extensively?—I do not know that it would involve any great expense. The land would sell at a higher price, because the Court would be able to give the purchaser an indefeasible title. The money would come into Court, and the Court would decide who was entitled to the money, and pay it over accordingly. I do not see that it would involve any great expense.

602. You can go to the Court now, can you not, under the Declaration of Titles Act, but I do not think anybody ever does; is not that so according to your experience?—I do not know that they do; it is a new thing, and I think people do not know much about it.

Mr. *Haldane*—continued.

603. And it is not cheap, is it?—No; you must remember that in the case of a person going for a declaration of title, he would have to pay it out of his own pocket; here, no doubt, it would come out of the pocket of all who are entitled to the land; but, at the same time, they get the benefit of having a good sale for the land.

604. You do not suggest that the system of going to the land to get the title cleared would be in any way a substitute for such a thing as this Bill is aiming at?—It would not be a substitute for this Bill exactly; it would have been a means of clearing a good many titles, and so making a large quantity of land more easily saleable.

605. Do you think the present system of conveyancing, taken generally, is a system which is at all adequate to the modern necessities of our times?—I think it is; but I think it is capable of some considerable improvement still, and, as I said, I think this proposed appointment of the personal representative to be the real representative would make an enormous difference.

606. You think the present system of conveyancing is capable of being improved, and ought to be improved in a good many particulars?—Yes.

607. I will put one or two points to you; do you not think the frequent and repeated investigations of the same title in different hands is rather a scandal?—I do not see how you can avoid it. But if you simplify title, I think that would not be really any burden. What I should propose is that as regards the title to be investigated by the purchaser, you should have simply a series of simple conveyances of the fee simple.

608. I had the pleasure of reading a pamphlet which you wrote on this subject many years ago; and what you recommended then, I think, was that there should be a series of fee simple titles from which you had eliminated all equitable interests?—Yes.

609. In that respect I think you agreed with the evidence given by Lord Cairns before the Committee on the Act of 1875, that one of the evils of the English law was that it had allowed equitable titles to cut into the fee simple?—Yes.

610. You proposed a series of fee simple titles, leaving out the equities?—I proposed that every purchaser should take by a title paramount to all equitable interests.

611. That is the scheme of this register system, is it not, under this Bill?—Yes, with the register added, which seems to me to be unnecessary.

612. You go so far as this: that you would take the principle of the register system, but you want to eliminate the register?—Yes.

613. You think that would be a reform?—Yes.

Mr. *Bolton.*

614. You would hardly say, would you, that you would take the principle of the register system proposed in the Bill; what I understand you to take is only the principle of dealing with the legal estate?—I go with it to this extent: This register system requires a series of simple transfers of the legal estate, and I say have these series of simple transfers and omit the register.

Mr. *Bolton*—continued.

Chairman.

615. You would have the transfer, but omit the official record?—Yes.

Mr. *Haldane.*

616. That is to say, you would adopt the principle of this system proposed in the Bill, but eliminate the register?—Yes.

617. Is not one objection to any system which does not give a Government certificate of title a conclusive certificate of title from time to time this: that you run substantial risk of frauds; for instance, taking your proposal that you are to have a series of fee simple titles (which no doubt would be more simple than the present system, which takes account of the equities), still you are as much at the mercy of fraudulent people, who may forge these title-deeds, and pass them off on unsuspecting people, as you are under the present system?—At present you know with whom you deal, and I do not think there are many fraudulent titles made. Of course, cases do occur under peculiar circumstances, such, for instance, as the Dimsdale funds, where people simply go to a man and take a lease from him, without any inquiry, and he grants the lease fraudulently; and, in cases of that kind, of course, somebody must suffer; but such a case as that can scarcely occur under our ordinary examination of titles.

618. A number of those cases come before the Chancery Courts every year, do they not?—I suppose there are a certain number of cases just as there are a number of cases of fraudulent transfers of stock. There is always some clever man able to take advantage of peculiar circumstances and commit fraud.

619. A register at least strikes at that, does it not?—A clever person will commit the same fraud if there is a register.

620. Surely not the same fraud; he may commit different frauds; you get rid of the fraudulent person as he exists under the present system, do you not?—The fraud will not be committed in the same way, but the fraud will be there, and somebody will suffer by it.

621. Do you not think that the effect of a registry system would be to get rid, to a large extent, of such frauds?—I do not think so; I am rather inclined to think that frauds will be more easily committed upon the register than under the present system.

622. But it would be a different kind of fraud?—It would be a different kind, but the result is the same.

623. You say that under the Act of 1875 it is not possible to register a certain number of interests which might be registered; for instance, tenancies in common?—Yes.

624. Of course, the equitable interest of the tenant in common is left to be dealt with just as at the present time?—Yes.

625. Therefore it is rather a matter of detail for this Select Committee to consider whether the Land Transfer Act of 1875 should be amended in that respect?—The purchaser of the share

Mr. *Haldane*—continued.

share of a tenant in common would not be satisfied to take the equitable interest; he would want to be put upon the register as owner of the share.

626. I take it, it is not a question of broad principle. Tenancies in common will exist in future just as they do at the present time, only that as the law stands the man cannot be put on the register as the legal owner?—Yes, they would exist, no doubt.

627. That is therefore more a matter of detail for this Select Committee to consider?—Yes. I suppose the Act could be amended so as to allow persons to be put upon the register as tenants in common.

628. You referred to minerals and mines; as to mines, I am not sure whether you have noticed that there is apparently no definition of "land" in the Land Transfer Act of 1875?—There is no definition.

629. And the statutory definition is excluded?—Yes.

630. The Act says that, "Any person who has contracted to buy for his own benefit an estate in fee-simple in land, whether subject or not to incumbrances," may apply to be registered. That would include an estate in fee-simple in the part of the land which comprised minerals, or the surface of the land, or in both?—Yes.

631. So that if he wished to transfer he could transfer?—Section 82 provides as to mines specially.

632. Section "82 provides that the registrar may register "the proprietor of any mines or minerals where the same have been severed from the land in the same manner and with the same incidents in and with which he is by this Act empowered to register land." You doubt, as I understand, whether the register applies to anything except first registrations?—Yes, that, I think, is rather doubtful.

633. That again is a matter of detail, is it not?—Yes. You will observe under that section the registrar may register "mines or minerals where the same have been severed from the land." Now the only process by which the registered owner could sever the minerals from the land would be by making a transfer of them, and the transfer would not be put on the register, because the minerals had not been severed.

Chairman.

634. If that is a defect it is a defect in the existing Act of 1875?—Yes, that is in the Act of 1875.

635. You suggest we might consider whether that should be amended?—That might be amended.

Mr. *Bolton.*

636. Under the existing law that is a thing that could be done by a supplemental deed?—Yes.

Mr. *Haldane.*

637. As regards boundaries, I think there is some misapprehension in the minds of some Members of the Committee. When you go to put a title to land upon the register, in the case, we will say, first, of an absolute or qualified title, as distinguished from a possessory title, as I read the rules, the registrar makes at least as close and as general an investigation of title as in the case of an ordinary purchase. He may take the opinion of conveyancing counsel if he wishes, and in ordinary cases does. Will that investigation not extend to boundaries in exactly the same way as the investigation of title to-day would extend to boundaries?—I certainly was not aware that when a landowner put himself upon the register with a possessory title there was any investigation.

638. I put the case of a man with an indefeasible title. In his case there would be the same investigation as takes place now outside the register as between vendor and purchaser, would there not?—Yes.

639. Therefore, although the register is not made conclusive as to boundaries, there is a minute investigation by the registrar to see that the boundaries correspond with the deeds?—Yes.

640. Therefore, so far, you are not worse off under the Bill than under the present system?—No.

641. In the case of a possessory title, you are not worse of either, are you?—No, not at first; but I am looking at what happens subsequently.

642. I am coming to that in a moment. The only point in which you are worse off subsequently is that the Statute of Limitations cannot apply to transfer the ownership through the bare fact of possession?—Not as against an adjoining registered proprietor; it will as against a non-registered proprietor.

643. As regards an adjoining registered owner the statute will not apply?—No.

Chairman.

644. What occurred to me upon that is this: it will not apply as against a registered owner in respect of the land for which he is registered; but the whole question is whether the boundary in dispute is the land in respect of which he is registered; would not that be settled by the ordinary rules of prescription. That perhaps is rather a nice point of law, but is not this true at any rate: there must necessarily be some degree of uncertainty in regard to boundaries unless there have been very clear plans and very constant and long holdings?—The boundaries are generally settled by the occupations.

645. The occupations are looked at as evidence of what really is the boundary?—Yes.

Mr. *Greene.*

646. That is recorded in the ordinary case, but not upon the register?—Yes.

Mr. *Haldane.*

647. The Ordnance Survey system has been very much extended, and I believe there are now very few parts of England which have not been surveyed; there are one or two districts still unsurveyed, I believe, but the survey is further on than it was at the time the Act of 1875 was passed, is it not?—Yes, I suppose that is so; but I had occasion to know some short time ago in some

Mr. *Haldane*—continued.

some important parts of Lancashire there was no Ordnance map later than 1852.

648. Of course, the Ordnance Survey map is not binding, but it is an official map, which is a useful mode of description by which to register land, and it is a great help, therefore, to the registrar when you can get the Ordnance Survey?—Yes.

649. As regards identification, no doubt there is, and always must be, a difficulty in identifying the person who comes to register land; but is it more difficult, really, than in the case of a person who comes to identify himself as the owner of the land at the present time; is not the only difference this: that at the present time you generally have a solicitor whom you can trust?—Yes, that is a great safeguard.

650. That is practically the only safeguard, is it not?—Yes.

651. If you can have some other person equally respectable, say, for instance, the clergyman, or somebody else, you will get over that difficulty in the same way?—Yes, I suppose so; and in that way, probably, a transfer by power of attorney would be more safe than a transfer by the individual at the office.

652. It may be so. Now, just let me put it to you generally in conclusion: your objections to the proposed change in the law, so far as I follow them, go almost entirely to the element of registration, which is added to the reforms which it is proposed to make?—Yes.

653. Except for that element you would say the principle, which it is proposed to introduce, as regards, for instance, the substitution of a chain of fee-simple titles, were a good thing?—That is a good thing if not carried too far; I think it is carried a little too far for the purposes of this registration.

Mr. *Haldane*—continued.

654. But it is a good thing, so far, in itself?—Yes.

655. So far as the proposed introduction of a State official in regard to land, you have just the same thing, have you not, existing at present in the case of stocks and shares and ships, with, of course, the one difference you have pointed out, namely, that it is desirable to have registration in that case for the distribution of dividends, while that is not necessary in the case of land?—You see, in stocks and shares, and, perhaps, to a certain extent in ships, you can compensate a man for his loss of stock by forgery in the transfer; you cannot do that in the case of land.

656. No doubt, that would be so if you took away land which has a special value to him, either through a certain *pretium affectionis*, or from his having laid out money upon it in the shape of buildings, or something of that sort; but that would not always be the case?—I think the land ought to be always left with the true owner.

657. Do you not think that the court might be trusted, or the registrar might be pretty well trusted, not to turn out men who had been in possession for a long time, and who had spent money on it which could not be included in the compensation, merely for the benefit of some outsider, who has never taken the trouble to go and look at the register?—I do not think it should be put in the power of a registrar to do so.

658. Do you not think the registrar and the courts together might be pretty well trusted to see to that?—I do not think the landowners would like to trust even the registrar.

Monday, 27th May 1895.

MEMBERS PRESENT:

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Colonel Long.
Mr. Tomlinson.
Mr. Tully.
Mr. Wayman.
Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. EDWARD PARKER WOLSTENHOLME, re-called; and further Examined.

Mr. *Bolton.*

659. I BELIEVE you consider it important to explain fully a case to which you referred on the last occasion, the case of Gibbs *v.* Messer, as it bears upon this inquiry?—Yes, with reference to this point; in that case, the mortgagee or the person taking the charge honestly paid his money and got his name on the register as entitled to the charge. It was then decided the charge was bad. He lost his money which was intended to be secured on the land, and he got no compensation out of the insurance fund, therefore he lost the whole thing. The ground of that decision, as I understand the case, was that it did not turn on the construction of the Colonial Statutes in any way, but Lord Watson laid down the principle broadly that a purchaser was bound to see that his vendor, the person who transferred to him, was the same person as the person upon the register, and that if he did not do that he got a bad transfer, and he was not entitled to any compensation out of the insurance fund. If that is the case, and it holds good with regard to the present Bill, it will destroy half the value of the insurance fund. In many cases of fraud the purchaser will lose his land and will not get compensation out of the insurance fund. I think in some way or other that ought to be provided against in this Bill.

660. Therefore a forged transfer gives no right against the insurance fund, but the insurance is only a protection against other frauds and mistakes in the office, is not that so?—Yes.

Chairman.

661. Is not that rather a large deduction from what you have been telling us; you would not assent to so broad a proposition, would you?—It seems to me that that decision would be conclusive if the same case arose under this Bill. It adds to the safety of the true landowner.

Mr. *Bolton.*

662. Therefore, the necessity of the person being able to identify his vendor as the person on the register?—It is held out under this Bill that you may walk into the registry and take a transfer from somebody who goes with you, and when your name is put on the register your title is good. The case of Gibbs *v.* Messer decides that is not so. You must see to the identity of the man who transfers to you.

663. I believe you have before you a statement of certain suggestions which you made with regard to the reform of the law relating to the transfer of land?—Yes.

664. I believe you wish to put that statement in; will you hand it in?—Yes. (*The same was handed in.*)

Viscount *Folkestone.*

665. There are one or two questions I should like to ask with regard to the main principles of the Bill: In the first place, you said you thought compulsion a great hardship?—I think it is.

666. Why should it be a great hardship, if the Bill, as we understand to be the case from the Lord Chancellor, would eventually be a great benefit to landowners?—I think, in the first place, so far as I can see on the face of the Bill at present, it renders the title of the person whose land is put on the register unsafe as against future transactions, and I think that that alone is a great hardship.

667. That has not been the experience in Australia, has it?—In Australia the true owner is always kept on the register, I believe, and the man who comes in under a wrong title is compensated. That is one of the amendments which I think certainly ought to be made in this Bill. I think you ought not to evict the true owner for any reason whatever.

668. Is it your opinion that after the Act has been in force a certain time the title to land which is registered becomes absolute?—I suppose after a great number of years it would probably become absolute, but it will not be so for many years.

669. What would you consider to be a "great number of years"?—It is difficult to say. I should say for from 30 to 40 years you are still

Viscount *Folkestone*--continued.

liable for all defects of title before the land was put on the register.

Chairman.

670. That is with a possessory title?—That is with a possessory title.

Viscount *Folkestone.*

671. Do you mean to say you never get an absolute title according to your opinion?—Not on this Bill, because even supposing you get an absolute title as regards the past, your title is always defective as regards the future.

672. That is not so, if it is on the register, is it?—Yes, because you may be compelled at the discretion of the registrar to take compensation in money instead of having the land.

673. I was leaving purposely the matter of compensation out of the question, because I think, according to the only practical experience we have, that is to say, the experience of Australia, they find that that is a very small matter?—Of course, if you decide that the true owner is never under any circumstances to be evicted, then your title will not be defective as regards the future; that certainly is so.

674. Supposing amendments were made in the direction you have pointed out, do you think this Bill would be of ultimate benefit to the public in this country?—That is a large question. I think you cannot tell absolutely whether it will be, but I have great doubts about it.

675. May I take it that your objection is the very natural objection to a new system which you do not know the working of as against a system which has been in force a great many years and which you do know the working of?—I do not object to the system being new if I can predicate that it is a good system, but I do not think you can say that of this Bill.

676. I gather your natural feeling is rather a conservative feeling in this matter?—No, I am not prepared to say that; I have myself had a great hand in amending the law, and I have no conservative feeling about it provided I can see my way to a proper alteration of the law.

677. The last Select Committee on this subject reported in 1879, did it not?—Yes.

678. Since the Report of that Committee there have been considerable alterations in the law which certainly do make it easier to adopt a system of land register, is not that so?—Yes, certainly, and which also make the existing system much easier and much cheaper.

679. But would it not be the case that if this Bill were made law, after the first registration, the cost would be a great deal less than it is now?—I have scarcely had experience enough to be able to form an opinion upon that; I should doubt it myself, because I think you would have a great deal of cost arising from attendances at the registry.

680. But at the present time, on every transaction with regard to land, I think a complete investigation has to take place as regards the title?—That is so.

681. Now, if your land was registered under the Bill, that investigation into title would not be necessary every time, because, in the first instance, I presume, before the land is registered, the title must have been completely investigated?—That is if you get an absolute title, not otherwise; and to get an absolute title is a matter of considerable expense. If you register with a possessory title you are liable to all the defects existing before the time you registered, and that will go on for 20 or 30 years, more or less, the investigation getting less every year.

Viscount *Folkestone*—continued.

682. Of course, after that 20 years has passed, on transferring the land you would not require to investigate the title prior to the registration?—I am not quite clear about that; but the investigation would be comparatively light, I admit.

683. At the present moment you do not trouble to investigate title more than 20 or 25 years previously, do you?—Yes; 40 years is the statutory limit, and very often a title is taken for 30 years, and sometimes for 25, but as to that a good deal depends upon the title. If you get a title commencing with a conveyance on sale or mortgage, you might take 25 years, or a year or two less than 30 years with a willing purchaser, but not otherwise. Sometimes the title is such that you have to go back more than 40 years, but that occurs rather rarely now.

684. Would not the system be a great deal simpler than the present as regards mortgages in the case of registered land; you would merely have to enter the mortgage on the register, I presume, under the Bill?—Yes, that is so.

685. You would not need to investigate title as you do now, would you?—The case I quoted just now shows you cannot trust entirely to the register in the case of a mortgage.

Chairman.

686. That was a case arising upon the identity of the person?—Yes.

687. Supposing you know who you buy from, then you can have no doubt of the man's identity?—No doubt that is so. The difficulty in many cases will be to know who you buy from. At present you have certain safeguards; in the first place, the person you buy from produces the deeds, that is strong evidence that he is the person entitled to the land.

688. We are not dealing at the moment with the question of title, but with the question of identity?—I would say the production of the deeds is a great step towards establishing identity as showing you that he is the right man.

689. You have to be satisfied that the John Jones on the register is the same John Jones that you are dealing with?—Yes.

Mr. *Bolton.*

690. Under the present system there is also a respectable professional man acting for the vendor who knows him personally, and knows he is the man referred to in the deeds?—Yes.

Viscount *Folkestone.*

691. It was suggested on the last occasion that a clergyman, or some other person in a responsible position, could identify the owner as a rule; would not that meet the case?—It seems to me there is a little difficulty. You have John Smith

Viscount *Folkestone*—continued.

Smith of a certain place, who professes to sell to you, and you find a John Smith of the same place in the register; it seems to me there is some difficulty in proving that those two people are the same.

692. Surely the production of the certificate would be equally as good evidence of identity as the production of the deed which you rely upon at present?—That would go a long way to establish identity; but a man might get hold of the certificate fraudulently.

693. He might get hold of the deeds in the same way, might he not?—Yes.

694. As regards that you would be practically in the same position as you are now?—The certificate might have been obtained by forgery.

695. That, of course, is another question; but, I suppose, that might happen also with the deed?—That all goes to the question of identity.

696. Would it not be possible that the deeds might be procured by forgery?—Yes.

697. So that there again we are in the same position?—I agree that in most cases you would not have much difficulty about identity. It is only in certain cases you are liable to be deceived, just as in the case that has been quoted.

698. In those cases you are equally liable to be deceived now, are you not?—It is very difficult to say, but I rather think not.

699. Coming to another point, that of boundaries, you thought there would be some difficulty with regard to boundaries, I understand?—As regards registered land, your boundaries are only defined by the map.

700. Is not the map equally as good as the present description in deeds?—I think it was said many years ago that a map was a very good servant but a very bad master, and I still think that is so. The map may be ill-drawn; for instance, the boundary marked on the map may, when measured on the scale, mean a yard or two, and that may make all the difference. You may find yourself, for instance, with a yard or two between the frontage of your land and a high road.

701. In that case you could always get other evidence, as you do now, could you not?—No, because now your land would be conveyed, "bounded on the north," we will say, "by the high road," and that would be complete; the land would be conveyed to you up to the high road; you would be quite sure you had nothing between you and the high road.

702. Have you any knowledge of how they get over the difficulty in Australia?—I believe, in Australia, the boundaries are originally laid down in the Crown grant, and there is no difficulty. There are scarcely any minute ownerships there compared with what we have in this country.

703. Of course, that is so with regard to large blocks of property in the interior; but in all the big centres, such as Melbourne and its suburbs, and Sydney and its suburbs, where there are a variety of minute properties, I do not imagine that there have been any difficulties as to boundaries such as you suggest?—There may not be; but at all events, there has always been a great distrust in placing reliance on maps only; I never, myself, draw a conveyance if I can help it (sometimes, of course, I am obliged to do so), which makes the description dependent upon a map only. The great thing is the occupation and adjoining ownerships.

Viscount *Folkestone*—continued.

704. Then as regards boundaries, you think, under the Bill, supposing it becomes law, you would be worse off than you are now?—Yes, I think so.

705. That might be remedied by an amendment, might it not?—I think it will be well to have some further description required in the statement to be put on the register in addition to the map.

706. That, of course, would lengthen the document, and make it more expensive?—Yes, I think that is almost always considered necessary in conveyances at present. We are accustomed to have very minute descriptions in the schedule of the properties. Perhaps I may mention the case of the settlement to a very large property with which I had to do; it was a settlement which contained very wide powers. The property was very large, and it was found convenient to divide it up into 17 settlements; each settlement being nearly all schedule, and the settlement itself so short that it did not appreciably add to the length of the whole document bound up together. There it was considered necessary to have a minute description of the property with the tenancies; parts of the property were in towns. There was a map also, but it would have been impossible in that instance to have conveyed the property satisfactorily by a map alone in the case of most of the estates.

707. You come to the conclusion that besides the map, it would be necessary in some cases to have a further description?—I think in some cases that would be found to be absolutely necessary.

708. That, of course, is a matter of detail which could be gone into?—That is a matter of detail.

709. Then, as regards settlements, do you foresee any difficulty in registering land with settlements?—I do not see that there would be any difficulty; I think it is done at present, and so far as I understand, done easily. You put the tenant for life as owner on the register with some sort of note or restriction that if he sells the money is to be paid to some persons named.

Mr. *Tomlinson.*

710. I want to ask a question about the maps; as I understand, the distinction between the Australian system and our system is that in Australia there is an official map?—I believe there is an official map, but, as I understand, all the land is originally derived under grants from the Crown which contain a map; that would be no doubt the official map of the land conveyed.

711. That is to say, a map based on the official survey?—I think so.

712. Does this rightly describe the system there: that the Australian certificate describes the land, giving references to an officially recognised map, such as the Ordnance map would be in England?—Yes.

713. In the case of registered land in this country

Mr. *Tomlinson*—continued.

country the map is just the map that is carried into the registry by the person wanting to get the land registered?—Yes, in the case of a possessory title.

714. But not so in the case of an indefeasible title?—I think where there is an absolute title the boundaries and the map must be settled in some way by the registrar; I do not think he can take in the case of an absolute title the map given him by the person coming to get the land registered; in fact he has to look into the title strictly.

715. The boundaries of the land, and so on would in that case have to be determined before the title is put on?—Yes.

716. Supposing an incorrect map were taken, long occupation would not get over the difficulty as is the case now; you would not gain a title by the Statute of Limitation, would you?—I think, as the Act stands, a registered owner would acquire a title under the Statute of Limitations from an adjoining owner who was not registered; that is the way in which I read the section.

717. In the Australian case, I take it, where a large property is divided up it would still be the official map that would be divided?—Yes, I think so.

718. There was some consideration at our last meeting about the necessity for some alteration with a view to dealing with mines as apart from the land?—Yes.

719. Is it your experience that underground maps, or maps of underground workings of mines, are liable to more inaccuracies than surface maps?—It is sometimes only guesswork to ascertain what the mines are; they guess very well as to where a certain stratum of coal is, and the direction it goes in, but they cannot be always sure; every now and then they come to a fault which cuts off the seam of coal.

720. A very slight error in dialing might make a considerable difference?—Yes.

721. Would there, therefore, be additional difficulties in the case of registering a title to mines?—I suppose, in that case, you would convey all the minerals of a certain kind capable of being found under certain land. If you did that there would be no difficulty.

722. Then the only difficulty would be the possible inaccuracies in the surface map?—Yes.

723. I wish to ask a question with regard to tenancy in common; supposing a registered owner dies, leaving two daughters who would be co-parceners, how could they be registered?—As I understand the Act of 1875, at present they must be registered jointly as joint tenants, and on the death of one the whole of the property would pass legally to the survivor, who would be trustee of a moiety for the deceased daughter.

724. Can you suggest the kind of alteration that would be required in the Bill to cure that defect?—I do not know precisely what Clause 21 of this Bill is intended for, or whether it is intended to provide for that case; but if it is intended to provide for that I do not think it does so. I do not see why you should not allow

Mr. *Tomlinson*—continued.

an undivided share to be registered. I do not quite see why it was excluded from the Act of 1875.

Mr. *Bolton.*

725. Not more than four people, I think, can be put upon the register; what do you say to that?—I do not see why you should not have any number put upon the register.

Mr. *Tomlinson.*

726. Probably the restriction to four persons is taken from the corresponding restriction at the Bank of England?—Yes.

727. The same reasons would not hold in the case of land, would they?—There is not the same necessity for that in the case of land as there is in the case of stock, because the four persons put on the register as regards stock are almost always trustees, and you do not generally want more than four trustees.

728. The addition of more than four trustees might, I presume, cause additional difficulty in identifying the persons at the Bank of England, and the Bank might well wish to restrict it to that extent?—Yes, in the case of a great many charities there are very often a large number of persons to whom the conveyance is made. I have seen, for instance, as many as 20 charity trustees, when land is conveyed, to a charity; of course they could not be put upon the register if there is the limit of four.

Chairman.

729. You would like to see an amendment in that direction in the existing law?—I do not see why the law should not be amended for that purpose.

Mr. *Tomlinson.*

730. Supposing a sole trustee to be put upon the register he might sell the land and confer an absolute title, might he not?—Unless there was an inhibition or a caution. It is competent for the beneficial owner to put an inhibition to prevent the trustee selling without notice to him. That may be done either absolutely or with a notice that expires in a certain time.

731. That would give some security to beneficial owners?—Yes, of course the notice would have to be sent by post, and they might not get it.

732. In that case the deeds dealing with a beneficial interest would be quite distinct from the deed dealing with the legal estate?—Yes.

733. And if transactions took place with the equitable interest the costs would not be less than at the present time?—They would not be less. The dealings with the equitable interest would be much the same as at present.

734. In the case of settled land where would the saving in expense come in?—The saving of expense, as I understand, under this system is confined to this: that the title you have to look at is only a simple conveyance from one owner to another extending over a certain period; if you rely upon the register you need not look beyond the conveyance to the last owner; that is a saving of expense simply to the purchaser; there would be no saving of expense to the

owners

Mr. *Tomlinson*—continued.

owners of the land themselves for the time being; they will have to settle the land and make their wills in just the same way as they do at present. There would be, probably, a saving in effecting a charge.

735. In the case of small transactions selling plots of land for houses, do you think there would be any material saving under this proposed system?—That is a case where, if the costs are not very small, say a charge of 15*s.* or something like that in most cases, I think there probably might be a saving. The cutting-up of a building estate and dividing it into plots is a transaction, as I understand, that rather suits a register; it does save some expense there.

736. In the case of most building estates it is your experience, I take it, that the title is generally accepted by the purchaser?—No doubt, in many building estates the title is well-known, and there is no investigation of title.

737. In that case do you still think there would be a saving of expense as compared with the present system?—I should doubt whether there would be a saving of expense in that case. Take, for instance, a particular house, when it has been dealt a good deal with for, say, 20 or 30 years, you would have to investigate the title, and then there might be a saving of expense by having it on the register in that case.

738. Practically, I suppose a building estate would not be sold in small plots with a separate investigation of title in each case?—No; I think the general way is that some company buys it, and is answerable for the investigation of the title, and the purchasers from that company or building society are content to assume that the company did get a good title.

739. Supposing it was the case of an owner in fee-simple instead of a building estate, what would you say?—There are many cases that I know of where people are content to accept the title of the owner in fee-simple without investigation; it is well known in the district.

740. In that case there would be no material saving in the first case of sale, would there?—I think there would be no material saving.

741. In subsequent cases of sale there might be some saving, might there not?—There might be some saving.

742. I suppose in the present circumstances a small purchaser would to a certain extent rely upon the covenants for title?—I do not think you can rely much upon them, because you do not get an absolute covenant for title. There is not much reliance to be placed upon covenants for title; they include all acts by the person who conveys to you, but they do not include the acts of anybody else.

Chairman.

743. You do not generally covenant for your title, notwithstanding the act of your predecessor, do you?—Only to the extent to which you claim otherwise than by purchase for value. If you take as devisee under a will you covenant for the acts of your testator, for instance.

Mr. *Tomlinson.*

744. Supposing, after this Bill has been passed, in a part of the country which has been brought

Mr. *Tomlinson*—continued.

under this Bill, he does not register himself, but sells a building plot subject to building covenants; supposing he sells first of all to B., on a ground-rent with the covenants?—Yes.

745. Then supposing B. registers and sells it to C., subject to the original ground-rent?—Yes.

746. In that case would there be anything to compel C. to register it without notice of the obligation of his covenants on the register?—I think not if he registers with a possessory title.

747. In that case, would C. get the land free of covenants?—No, he would get on the register with a possessory title; he would get it subject to all the defects and covenants that existed when he put it on the register, and that rent would be recoverable against an owner at the end of 20 or 30 years who, perhaps, had no notice of it.

748. Then C. might have no notice of incumbrances affecting the land?—Quite so.

749. Now supposing A., having a plot of land in fee, and having registered it sells it in fee to D., and D. sells part subject to a ground-rent, how could D.'s ground-rent be secured?—The second paragraph of Section 82 of the Act of 1885 provides for that, as I understand.

Chairman.

750. Perhaps I might make a suggestion as to some of these points. Upon matters of amendment and improvement, and matters of details as distinguished from matters which affect the argument on the principle of the Bill, I would suggest that the Committee would be very grateful to you if you could kindly furnish to us in writing in the form of indications under the heads of the different clauses in the Bill any suggestions as to how you think the Bill might be amended, assuming, for the moment, that the Bill was accepted in principle?—Perhaps, with that object, you would allow me to put in a report which has been made by a Committee of the Institute of Conveyancers, and which I have signed, and which I think meets what you were putting; it does not go into the question whether the Bill should or should not be passed; but, assuming the Bill should be passed, it contains suggestions of a good many amendments.

751. That is precisely what I wanted. It would be very desirable to put that in; will you kindly hand it in?—Yes (*handing in the same*). If the Committee wish I shall be happy to see whether there is anything further to be suggested. We had to get this report signed by a considerable number of men, and therefore we could not put in anything with which there would be any difference of opinion.

Mr. *Tomlinson.*

752. Let me ask you as to another possible case. A. and B. are adjoining owners, both registered, and A. is working mines under his own land, and he agrees with B. to grant him an underground wayleave between the two parts, and that is granted by B.; could that grant be registered?—I do not know what is done on the register, but I do not see anything in the Act

that

Mr. *Tomlinson*—continued.

that enables the grant of an easement of any kind over registered land. There is a great deal of power given to the Registrar in working the Act; but on the face of the Act I do not see any express power to grant any easement over registered land, or to attach any easement to registered land.

753. Would it be possible for the grantee of an easement to protect himself by any kind of caution?—Yes, I suppose he might do that; but you see, if the easement does not appear on the register, it is a mere equitable right.

754. Supposing the simplification of title, which you suggest, which is simplification by this Bill, were carried out, would there be any advantage in a register of titles over a register of deeds?—Yes, I think there would, because the register of deeds involves considerable expense in searching it back. A register of deeds involves more or less expense in searches. Under a register of title you are not supposed to have any searches, and I think probably the searches would not be necessary except in certain particular cases.

755. I suppose a register of deeds would be less costly than a register of titles; you would not require persons of the same skill, would you?—No, the keeping of such a register is a purely mechanical operation.

756. In that case the office would be less expensive, and the fees might be lower?—Very much less expensive.

757. I suppose your experience leads you to the conclusion that the present system of voluntary registration is unpopular under the Act of 1875?—I think it is.

758. Can you suggest why people are disinclined to resort to it?—I have no experience myself of the working of it, but I think there have been difficulties found in dealings. There is no doubt one thing that makes it unpopular is that it greatly restricts all dealings with land, and that, of course, in itself is an element of unpopularity.

759. That would be an objection to a compulsory system?—It would be the same with a compulsory system.

760. It was suggested during the examination of the Lord Chancellor that people were disinclined to go to the registry office from ignorance; do you think there is popular ignorance on the subject?—I think if the register had a decided advantage people would find it out and use it. There is no question that there was a very honest attempt made to make use of Lord Westbury's scheme, and that no doubt was a failure, and that rather prejudiced in people's minds the question of registration of title.

761. Do you know of any cases where persons who have been on the register have wished or taken steps to have their estates taken off the register?—Yes; there have been a good many cases of that sort.

Chairman.

762. Is that under the Act of 1862, or under the Act of 1875?—I think they were entitled under the Act of 1862 to take their titles off the register. I think they are not entitled to do so under the Act of 1875.

Mr. *Tomlinson.*

763. Do you know what the reasons on the part of these people were for trying to take their estates off?—I think it was what I say, that there were serious restrictions on dealing with the land.

764. What kind of restrictions do you think would be most operative?—I think they would be the same restrictions that I have mentioned; for example, there is the impossibility of granting easements; it is very difficult to say beforehand, without having an exact case put to you, what the precise reason is that they will not come under the Act; but there is no question that there are restrictions. For instance, in the first place, the Act of 1875 only allows you to convey the estate in fee-simple; that is at once an enormous restriction if it is not compensated for in other ways, and I do not think it is quite compensated for in other ways.

765. Have you had much experience of the operations of building societies?—Not much.

766. It was said that the building societies desired to have a compulsory system; is that your experience?—I think that is a sort of case which the Act of 1875 suits.

767. If that is so, can you account for the fact that the building societies have not brought more land upon the register than they have?—No; I cannot account for that.

768. It does not appear, does it, that they have brought any large quantity of land upon the register?—I think a great many of the cases that have been brought under the Act have been building estates.

769. By building societies?—I should say not by building societies.

770. There is no reason, is there, why, if building societies consider a register of transactions in land desirable, they should not have brought estates over which they have influence on to the register under the Act of 1875?—Building societies have rather peculiar rules, and I do not know whether that may not have had something to do with it. I cannot say why building societies particularly should regard compulsory registration differently from any other building companies.

771. I do not think I need carry that any further. There is just another question I wish to put; it was suggested that the registry of ships was analogous to the registration of land, but I suppose the difficulties in registering land would in many cases not apply to ships; there would be no question of identity or boundary as regards ships?—You have but one interest in a ship, namely, the share in the ship; in land you have a great deal more; you have leases, you have mines, and undivided shares of particular lands, and you have easements to grant. You have all sorts of interests in land, which you have not in ships, and which you have not in stock.

Mr. *Wickham.*

772. Is it not the case that there is a considerable amount of exaggeration as to the expense and trouble of conveyancing?—I think there is a great deal.

773. In your experience, is it not a common thing, with regard to a title on a fresh sale, to fix the former examination of title as the root from which

Mr. *Wickham*—continued.

which the fresh title is given?—In small sales it would be so.

774. That leads us again to the question of small sales. You thought, as I understood, that on the smaller transactions the new system which is proposed would probably increase the cost?—I think it might do so.

775. You think that would be so, in cases which came under your notice?—Yes.

776. We all know there are a large number of very small transactions in the country which take place without the assistance of conveyancers at all?—A very large number.

777. And which are done at a very small cost?—I believe so.

778. Is it likely that the expenses of the office which is now proposed would be as low as the usual rate at which these small transactions for an acre or a few acres of ground are carried out?—I think a great many of these transactions would be done off the register cheaper than in the office.

779. Have you any reason for supposing they might be done quicker on the register?—Of course, that very much depends upon how the office transact their business. I do not know that in small transactions the office could do it quicker than a solicitor could do it, because in all these small transactions there is comparatively little investigation of title.

780. Therefore the deed is extremely simple, consisting of a simple grant to a man and his heirs of certain parcels, and with the covenants for title all done by statutory forms?—Quite so.

781. Therefore the deed is very short?—Yes, very short; the main part of the deed is the description of the property.

782. That can be done, I presume, in many cases of small transfers for no more than a sovereign, or something of that sort, putting stamps out of the question?—I think so. I think that was what Lord Cairns stated; I have not been able to find where he so stated it; but it is my distinct recollection that he said he had been informed in many cases that for the conveyance of small properties the whole cost was 15*s*. The statement is at p. 148 and pp. 154–5 of Report of House of Commons Committee on Land Titles and Transfer, 1879.

783. I think you said, in the former part of your evidence, it was not an uncommon practice for two landowners to settle their boundaries by making a line of their own, and leaving it for the Statute of Limitations to give each their full title?—Yes.

784. Could that happen under the register?—No, I do not think that could happen, because, as I understand the Act, the operation of the Statute of Limitations is excluded.

785. That would seem not to have been thought of?—Yes, I do not quite see myself why the Statute of Limitations was excluded.

786. There is another point which occurred to me, which is this: Supposing an estate appears on the register, and the person who owns that estate buys other pieces which are parts of other estates on the register; how does his title afterwards appear, and does it appear on the multiplication of portions of already registered estates?—I believe so.

Mr. *Wickham*—continued.

787. In point of fact now, if a person acquires an estate in that way, after a lapse of time it becomes a whole, and is so treated?—Yes.

788. And you do not go beyond that?—No.

789. Can that advantage ever occur under a register?—So far as I make out, it cannot occur. These titles will always remain separate, unless you have some process, which I do not know of, of amalgamating the whole estate and putting a fresh description of it on the register. I suppose the registrar has power to do that if he chooses.

790. You think that would be a desirable process?—Certainly, it would.

791. If it is not done it may happen that the expense of conveying an estate under the register might be very large?—Yes.

792. Because I presume there would be a separate fee?—I believe there is a separate fee of 5*s*. for examining each title.

Chairman.

793. That is a search fee of 5*s*. for each piece?—Yes.

Mr. *Wickham.*

794. Have you ever heard of the great complexity of titles on some parts of the Continent where there is a register?—I remember seeing a French title, and I was very much surprised at it; it was made up in a little book the size of foolscap paper, and it began by setting out in full a number of powers of attorney from people in England to convey a house, I think it was at Nice or Cannes; and then it contained an auctioneer's description of the house and its immunities, and then it finished by an authorisation to the notary public to register the house in the name of the purchaser. Some of those people who gave the power of attorney were mortgagees, and some were beneficiaries; and I believe that the result of that little volume was that the notary himself went to the office and had the house registered in the name of the purchaser. But there was one mortgagee who did not send any power of attorney; the notary put his money in his pocket and kept it, and it was upon the question of how to get back that money that I had to advise. Luckily the mortgagor had died in England, and his executors were in this country with assets, so that it was a debt which was ultimately recovered, but whether that money was ever got from the notary or not I do not know. But that this little book which, as I apprehend, operated as a conveyance in the French form, and upon which the notary put the house upon the register in the name of the purchaser, was a great deal longer than any English document.

795. And that would be required to be kept as a sort of title-deed?—Yes.

Chairman.

796. In France there is no registration of title at all, is there; it is registration of deeds?—I think, so far as I saw, the purchaser's name was registered on the register as the owner of the house as the result of that document. Probably they might have considered that document as a deed.

Mr. *Bolton.*

797. There are not deeds as well as the entries on the register, are there?—Not what we call deeds.

798. They are in the nature of contracts, which are entered upon the register?—Yes, I suppose so.

Mr. *Wickham.*

799. Then, I presume, the expense in the transaction you have described was considerable?—It must have been very considerable.

Mr. *Wayman.*

800. I suppose you heard the evidence given by the Lord Chancellor?—Yes.

801. Did you hear him state that the system which is now proposed was very greatly opposed in Australia before it was put into force?—Yes.

802. And that those who opposed it most strenuously are now its greatest friends and supporters?—Yes.

803. I suppose you think the present system is a system which may be amended, with very great advantage?—No doubt that is so.

804. But you think this system of registration is not a system that you would recommend?—My opinion is, that the present system can be amended so as to make it better than any system of registration.

Chairman.

805. I want to ask a few questions in order to make these things as clear as I can to lay minds; I suppose the difficulty in the way of expense of conveyancing now is due to complications of title?—Yes.

806. If a man has the fee-simple of a property he may mortgage it; he may transfer on a first mortgage the fee-simple to somebody else, retaining the equitable interest?—Yes.

807. Or he may make a second mortgage upon it, creating a further subsidiary charge after the first mortgage?—Yes.

808. Or he may settle it, and convey it in successive life tenancies, and then in remainder afterwards?—Yes.

809. Or he may, in the settlement, give to the trustees power to lease or to sell, or power to mortgage?—Yes.

810. So that all that has to be investigated?—Yes.

810*. Besides that, questions of pedigrees have to be investigated to see whether the people are dead whose interest would be prior to the proposed sale?—Yes.

811. All that has to be done under the present system?—Yes.

812. That being the case, in every successive sale one after another, from A. to B., and from B. to C., the titles and all those facts have to be ascertained over and over again?—Yes.

813. As many as there are sales there are so many investigations?—Yes, until a certain number of years wear out.

814. I am now speaking, of course, of questions where you have to investigate title at all?—Yes.

815. I suppose there are some cases where purchasers are content with a much less strict investigation of title; it is the case, is it not, that people are in the habit of accepting less strict title now than they used to do?—Yes, very much less strict.

Chairman—continued.

816. Exactly in the proportion in which they relax the strictness of investigation they increase the risk of loss to themselves, do they not?—Yes, they do increase that loss; but I think that risk has been, to some extent, compensated by shorter Statutes of Limitation.

817. The consequence is, that people take more risks now (I will not measure the degree of risk) than they used to do in the old days, because of the extreme complication of these titles; is not that so, and the great expense and trouble and often delay caused by the investigation of title?—The question is, whether they were not in former days unduly careful: but there is no doubt if you shorten the time for which they carry back the investigation it does introduce the element of risk.

818. Having regard to the expense and trouble, people are in the habit now of taking sometimes even possessory titles; I mean, supposing a man has been in possession of property for 25 years, or, at all events, for 30 years in very many cases, I suppose you would accept that as a valid title?—Not unless they showed some origin for the title, because the man might be a tenant for life under a will.

819. At all events, this has happened: that the periods under the Statutes of Limitation have been shortened from time to time, and the shortening has been really for the purpose of giving some such title as might be useful and satisfactory, without all this expense and all this delay?—That is so.

820. I want to ask in regard to the other parallels of the sale of an interest in a ship or consols, if you please; in the case of a ship, as regards the 64 shares in the ship, you have the registered owners of so many shares?—Yes.

821. In the case of consols, also, you have the registered owner?—Yes.

822. Supposing, without any fraud or dishonesty, I was to buy from the registered owner of shares in a ship, or from the registered owner of Consols, should I be protected, or should I be under any risk?—If you had no notice of anything wrong you would have a complete title.

823. If I was acting honestly, without notice of anything wrong, I should be protected?—Yes.

824. Consols are capable of being put in settlement just like lands, are they not?—Yes.

825. It is true they may not be liable to easements, but they may be the subject of life interests and remainders?—Yes.

826. They may be mortgaged?—Yes.

827. There may be powers of sale and powers of mortgaging in respect of them?—Yes.

828. It is the fact, is it not, that the possible complication of title in the case of consols is just as great as the possible complication of title in the case of land?—Yes; very nearly as great.

829. In fact, you can always safely buy from the

Chairman—continued.

the registered owner of consols; can you not?—Yes; all the equities are wiped off.

830. That is exactly my point: you may say, therefore, that the law says, Here is a man who is entitled to sell to you, and if you honestly buy from him, without notice of any other interests, you shall be the owner of the property in the consols?—Yes.

831. The equities will have to be administered between the person who is the registered owner and those for whom he may be trustee?—Yes.

832. But that has to be done outside?—Yes; the purchaser has nothing to do with it.

833. Supposing you were to have this system with regard to land, the registered owner of land who should be entitled by law to sell, what would be the difference in the situation between the case of consols and the case of land?—There would be no difference as regards the purchaser; he would get his title complete.

834. Is not that the case because of two things; in the first place, because there is a register which is a public register?—Yes.

835. In the second place, because the law says if you buy without notice and honestly from the registered owner, you shall be safe?—Yes.

836. Why should not that be done with regard to land?—I say that it can be done with regard to land without a register. I do not see why it should not be done by a register if it is a suitable way of doing it.

837. I wish to see how far you agree with the Bill. You agree with this, do you not, that there ought to be a person able to sell every acre of land, and to confer a good title to it by law?—Yes.

838. He must be an ascertained person?—Yes.

839. Why do you object to his being registered, so that whoever wants to deal with this land should be able to go to the register and see if he is the person entitled to sell?—Under this particular Bill I say there is a danger that either the true owner or the puchaser may lose his land.

840. As to this particular Bill, I understand there are a good many points upon which you suggest amendments might be proposed; but upon the question of principle you think it is desirable that equities should be left out of sight in the case of a *bonâ fide* honest purchaser for value without notice of anything wrong, do you not? -I think it is desirable.

841. You think that there should be a real representative?—Yes.

842. You do not, perhaps, agree with the machinery of the Bill, but you agree with that principle, only you object to its being recorded in a register?—I do not object to a register, but I think a register is unnecessary.

843. In the first place, do you think it is harmful. Just consider the point for a moment. In the case of a ship, the register proclaims to intending purchasers who is the owner with whom they may safely deal?—Yes.

844. The law following upon that says: "You may safely deal with the man whose name is on the register"?—That is rather a peculiar case. Take, for instance, stock: you are obliged to have a register for the purpose of knowing to whom to pay the dividends, and then you may make use of it for other purposes.

845. Supposing you are not obliged to have a register for the purpose of the dividends, is it not useful for other purposes?—If you find it useful, I admit it ought to be established.

846. Take the case of a ship, or of consols, and for whatever cause you please, the names of the owners are registered in the register?—Yes.

847. That is useful for the purpose of paying the dividends?—Yes.

848. In addition to that, in the case particularly of ships, is it not extremely useful for the purpose of title?—Yes, it is useful in a certain way I admit.

849. In what way can anything be more useful. I want to buy consols, for example; I go to the place, and I find the consols belong to John Jones. I have to be satisfied about his identity it is true; but being satisfied of his identity, I may pay him 20,000*l.*, and I am as safe as the Bank of England; is not that some advantage?—I should say, why take John Jones to the registry, why not deal with John Jones in his own room or in a solicitor's office.

850. If you have not got it on the register, how can you have the guarantee that John Jones is the person whom the law proclaims that you may safely deal with?—I think his production of the deeds and documents going back for a certain period is a very good proof of his identity.

851. I do not say it is not, but that involves expense, and, in fact, is the very thin that you have in the present system of conveyancing?—Not if you simplify title.

852. Take the present system; to find out this John Jones has derived his title from the previous owner is just the thing that causes the expense, is it not?—It is at present, but I think you may simplify it by restricting dealings, as you propose to do, on the register.

853. You simplify it a little; but you enable a less cumbrous and expensive chain of machinery to be used for the purpose of ascertaining the title of John Jones?—Yes.

854. Supposing you had a register, if he was registered in respect of the land (assuming it to be an absolute title), could you not buy from him with as much safety and with as little trouble as you can buy a share in a ship which is upon the register?—That a good deal depends upon the mode in which the office is conducted; I will not say the office might not be so conducted as to effect that object.

855. If so, if we could have competent men who will properly conduct this office, is it not the case that with a system of registration of title to land, in the case of an absolute title, you could buy land as easily and as cheaply and as safely as you could buy a share in a ship?—I am not quite clear as to what the process of transferring a share in a ship is; I mean what the process of the registry office is

Chairman—continued.

in keeping the register in the case of ships; therefore I cannot speak as to that.

856. Leaving ships, you are familiar with the practice as regards consols, I suppose?—Yes.

857. We all know about consols, and how they are bought and sold; is it not the case that you could buy land under a properly-managed registry office when it is registered with an absolute title as cheaply, rapidly, and safely, as you could buy consols?—I do not think so.

858. Why not?—You have to look at the map and examine the register as to the land you buy. In buying or selling consols you have nothing whatever of that kind to do; you walk into the transfer office of the Bank of England, and you sign a book or a document, and the clerk tears off the stock certificate and hands it to you, and it is done; I do not think you could do that in the case of land.

859. Your reason for differentiating them apparently is that stocks are capable of perfect identification, but land is not?—In the first place, as this register at present stands you have to execute a deed.

860. The deed is executed when you first place the land upon the register, is it not?—No, when you transfer it.

861. So you have in the case of consols?—They have no deed, I think, in the case of consols.

862. You enter it in a book?—The system as to consols is peculiar.

863. Is it not the case that under the present system you can transfer in just the same way upon the books of the Land Registry?—You are obliged to have a deed in the Land Registry.

864. No, I think not, with all deference?—It is new to me if you do not require a deed.

865. I have the forms here; is not this the case: in Form 1 of the "Examples of Modes of Registration" in the Land Registry, a man is entered as owner of the land; you will see various columns headed, "Description of the land;" "Absolute title;" "Proprietor, Sydney Johnston." That form deals with the case of a man with an absolute title; I will come presently to how you can get an absolute title, but if a man is registered as the owner with an absolute title, he is entered under Form 1A. and 1B.?—Yes.

866. Now, supposing he wants to sell. Will you look at page 13, Form 5; this is a transfer which is entered in the Land Registry; it is an entry, not a separate deed. "Eleventh of February 1895. In consideration of 9,000*l.*, I, Sydney Johnston, of 105, Essex-street, Strand, London, Gentleman, hereby transfer to Samuel Buller, of Watford, Herts, Esquire, all the Land comprised in the title above referred to"?—Yes, that is what I treat as a deed of transfer.

867. It is entered in the books?—It is entered after it is signed.

868. I do not suppose it much matters whether it is signed and sent up, or whether it goes into the book direct?—It is entered in the books, but it is a conveyance.

869. I quite agree; so is the signature in the books of the Bank of England a conveyance, or a transfer of stock standing in the name of a certain gentleman?—Yes, the mechanism is a little more definite and easier in the case of stock. You may compare this transfer in the Land Registry to the transfer of railway shares.

Chairman—continued.

870. Putting it as railway shares, instead of consols, you admit it is substantially the same?—It is the same as railway shares.

871. That gives a perfect title with great simplicity?—No doubt that gives a good title.

872. What is the other difference which differentiates land? You said there was a difference in regard to identity, because there was a plan in the case of land; of course, that is so, but is not that the substantial difference between stocks and land?—Here, in this Form 5, there is a very indefinite reference to the land transferred; it says, "all the land comprised in the title above referred to."

873. That refers back to pages 8 and 9, Forms 1A. and 1B., which refer to the plan which is there initialled and bound up; surely it is as simple as a thing can be, subject to the point of boundaries?—Yes.

874. A word about the question of boundaries. If you were selling an island of course there would be no difficulty, because that would be ascertained as easily as stock?—Yes.

875. The difficulty is to ascertain what the practical boundaries are between two estates, or between three or four?—Yes.

876. Than can be done with approximate accuracy on a plan?—Yes.

877. But is it not the case that every plan under the present system, or under any possible system, is necessarily construed and controlled, in a sense, by the fact of occupation?—But there is no reference to occupation on the register.

878. I know that; but suppose you have two pieces of land, both belonging to registered owners, with an invisible boundary, if you like, between them, is it not the case that supposing a difficulty arose about a few yards on one side of the line, and a few yards on the other, that must always be settled under any possible system by proof of who has, in fact, enjoyed those few yards of land?—With the aid of the Statute of Limitations; but I do not know that that actual enjoyment will transfer to you under the register anything beyond what is registered in your name.

879. I quite agree, but your point was that the plan itself was necessarily imperfect upon the register, because it could not minutely trace each particular inch of soil. In construing what is the meaning of the plan upon the register would not you always have recourse to the facts of the occupation, and would you not always necessarily do so?—I do not know I am sure whether that would be so. It seems to me you would have only a conveyance of what was included in your plan.

880. Then the question would arise what is included in your plan, since your plan cannot be minutely accurate; would you not construe that by reference to facts of occupation?—You might do so.

881. Have you ever heard of any difficulty arising in Australia on this point?—No, one would not be likely to hear of particular cases of that

Chairman—continued.

that kind there, but I think those difficulties with regard to plans arise in a number of special cases where the properties are under peculiar possession; and I think I have seen conveyances where it would scarcely have been safe to convey simply by reference to the plan.

882. I was struck with what you said in your evidence on the last occasion, and it occurred to me that if it might be desirable to enable entries of abuttals of the property to be entered upon the register as well as the plans?—I think so.

883. If that was done, would there not be just as much safety so far as the boundaries of the land is concerned, in buying under the plan of registration as under the very best deed of conveyance you ever settled?—Yes, I think so, if you put in a fairly good description of the land; what I think is, that a description of the land is scarcely sufficient by reference to the plan alone.

884. I will not say whether I agree with what you say upon that point, but I think it is a very valuable suggestion, which we must consider; I want to get out clearly for the sake of honourable Members who are not lawyers, what it was that the Act of 1875 did; did the Act of 1875 establish a register optionally, which was to show three things: in the first place, who is the proprietor who must execute the transfer and from whom you can safely buy?—Yes.

885. In the second place, what are the substantial burdens upon the land and to whom they belong?—Yes.

886. Thirdly, a plan entered upon a copy of the Ordnance map which is the official map?—Yes.

887. Is it not the case also that in regard to the minor interests, subsisting upon the land, equitable interests, for example, the Act enabled cautions to be entered upon the register?—Yes.

888. So that notice must be given to the person who had subsidiary minor interests, so that he should not be defrauded or injured by the transaction?—That is so.

889. You may register also on the one hand an absolute title?—Yes.

890. In that case the registrar must himself investigate the title and be satisfied that it is a real and good one?—Yes.

891. That gives complete security?—Yes.

892. On the other hand, you may register a qualified title (which occurs comparatively seldom), that is an absolute title in all respects except that one particular fact may be required to be proved, as regards, for instance, the death of a particular man?—Yes.

893. And, thirdly, you may simply establish upon the register a possessory title?—Yes.

894. That is to say that you are in possession of the land?—Yes.

895. That does not give an absolute security, but is not this the case: that supposing all the land of England was registered with a possessory title to-day, in 25 years or 30 years, if you, like you might disregard every fact antecedent to the registration?—Yes, I should think you might, after 30 years.

896. Therefore in 30 years, even registering

Chairman—continued.

with a possessory title, which would be very inexpensive, would it not?—It does not cost much.

897. I will ask as to the cost presently; in 30 years we should get rid of the frightful labyrinth and be able to buy and sell land solely upon the basis of registered transactions?—Yes, I suppose we should.

898. Would not that be a great boon to the people of England?—No doubt, if you could not do it in any other way.

899. You think it would be better to go on with the method of secret conveyance; I do not use the word secret in a disrespectful sense, but I mean leaving people sitting upon their deeds and not showing them to anybody, affording no means of knowing whether you have got all the deeds before you?—I suppose I am prejudiced, but I do think so.

900. Let us see how it works out; under the present system you have to be satisfied not only that the deeds on paper give a title, but you must be satisfied that the deeds are genuine, they may be forged?—That can very rarely occur.

901. It may be so, may it not?—Yes.

902. It has occurred, I believe?—Yes.

903. That could not happen upon the register?—We are not clear of forgery upon the register. There is no question as to that.

904. Just let us test that; supposing I register my land to-day upon the register, and I do nothing to part with it, the danger is that the registry officer might be imposed upon by a rogue who says he is Mr. Reid, and the officer will make the register in the register mistaking somebody else for me, that is the danger, is it not?—Yes.

905. Is it not usual, or might it not be easily done, to require the certificate of a justice of the peace, or two justices of the peace, and the clergyman of the parish to prevent such a silly thing as that being done by the registrar?—It would, but then there is trouble involved in doing that.

906. At present, anybody may in the secrecy of his room forge a deed without anybody to control him?—Yes, he may.

907. But he would have not only to do that, but in the case of the register he would have to impose upon the registrar by mistaken identity as to his personality?—Yes.

908. Would it not be much more difficult under the system of register of land to forge a deed; he would have not only to forge, but also deceive the registrar?—To succeed under the present system he has a great deal more to do than to forge a deed. I always assume that the purchaser is dealing with a respectable solicitor who acts for the vendor, and the man who has forged the deed in his room must also impose upon his own solicitor.

909. Supposing he is a solicitor himself?—No doubt there is a difficulty then.

910. There is another point; frauds happen now, not only by reason of the forgery of deeds, but by reason of the suppression of deeds; a man, we will say, has a large number of deeds relating to his title, and he knows he has alien-

Chairman—continued.

ated part of the land, we will say, or that there is some deed which limits his title in some way or other; he does not produce that deed, but imposes upon the purchaser; that may happen, may it not?—That is very rare, but it is possible.

911. It happens frequently enough, does not it?—It can happen.

912. We have all met with those cases; I can quote many reported cases where it does happen every now and then?—Yes.

913. That suppression of a deed would be an impossibility if you had a register?—Yes.

914. That, at all events, would be to the good?—Yes.

915. Now, the objections which you see in the schedule you have told us already; the first was with regard to boundaries; that we have dealt with?—Yes.

916. The second was that if you were registered without an absolute title, but with a possessory title, it might make your title suspected?—To register with a qualified title would make your title suspected; but I do not know that that would apply to registering with a possessory title, because there would be some reason for that, namely, the avoidance of expense.

917. Then if you did not want to be suspected you might register with a possessory title instead of a qualified title?—Yes; and then, of course, there would be certain investigation.

918. Then there would be an end of that difficulty?—Yes.

919. Therefore, entering upon the register in any form need not, unless you are wilful, make your title suspected; that is so, is it not?—Yes.

920. And further than that, if you are wilful and choose to enter with a qualified title, it is not disclosed to anybody except to the purchaser?—No.

921. Then how would it make the title suspected?—What I meant to say was that registration with a qualified title would make your title suspected by the purchaser, and he would therefore have to investigate the title.

922. He would only in that case have to do what he has always to do now?—Yes.

923. It would not put him in a worse position?—No.

924. Then, as regards the equitable mortgage of bankers being made more difficult, you are aware, are you not, of Section 14 of this Act, what has met with the approval of the bankers, as the Lord Chancellor told us?—Yes.

925. Next, with regard to easements, you said there was no entry of easements in the register?—I think there is not.

926. Will you look at the last clause of Section 18 of the Act of 1875 and see if I am not right in thinking that they may be registered under that Act?—I think that sub-section of Section 18 means that where a title is first registered the easements on it may be recorded,

927. It may be that you are right; I will not discuss it with you; I rather thought they could be; but if they could not, it could easily be put right by an amendment, could it not?—It is a question of amendment.

928 Your last objection was with regard to

Chairman—continued.

mines; that is dealt with in Section 18, Sub-sections C and D; but if there is anything wrong, that might be amended?—Yes, that refers to the time when the land was put on the register; of course the mines may be registered separately if they are already severed.

929. That also might be met by amendment very easily, if necessary?—Yes.

930. One word about the experience in Australia; you are very conversant with those matters, and you must have heard of the boundless satisfaction which the system of registration of title has produced in Australia?—I believe it has.

931. It has given boundless satisfaction, has it not?—Yes.

932. I presume you never heard of colonists who wanted to go back from it?—No, but I have known of great difficulties in transferring an estate, not in Australia but in Tasmania, which is under the same system; that was the case of a heavily-encumbered estate upon the register.

933. There may be exceptional cases, but in general it has given unbounded satisfaction, has it not?—I believe it has.

934. Is it not the case that there are many complicated titles in Australia; I do not mean to say as many as here, but there are many?—I suppose there must be, in the towns.

935. There are settlements and mortgages and everything else?—There are mortgages, but I doubt whether there are many settlements which create the complication.

936. One word about the insurance fund; there is an insurance fund in Australia, is there not?—Yes.

937. Do you know that the insurance fund in Australia, after 20 or 30 years, has proved (if I remember rightly) ten times larger than was required; is it not the case that, taking up to 1889, and in some cases 1891, in Tasmania, New Zealand, and five Australian colonies, the insurance funds have aggregated upwards of 400,000*l.*, and the sum paid in compensation did not amount to 15,000*l.* in the whole of those years?—I have heard that.

938. Upon a subject of this sort you know, as we all know, what a great authority Lord Selborne was?—Yes.

939. Lord Selborne went through this Bill and approved it and took part in settling it?—Yes.

940. He introduced in 1873 a Bill for the registration of titles, did he not?—I think the less said about that Bill the better.

941. We will pass that Bill over in silence in deference to what you say, if you will?—It was dropped and never got to Second Reading.

942. There was a good deal of opposition to it, was there not?—I do not think it was the opposition that caused it to be dropped.

943. The Act of 1875 was brought forward by Lord Cairns, was it not?—Yes. That, no doubt, was the first properly-drawn Act. I think Lord Thring was answerable for that.

944. You do not admire Lord Selborne's Bill of 1873, and I will not say very much about the dropping

Chairman—continued.

dropping of it, but at all events the principle Lord Selborne thoroughly endorsed?—I do not think Lord Selborne's Bill went fully into the principle of the registration of title.

944.* Lord Selborne was in favour of this Bill; he was one of those who sat on the Select Committee of the House of Lords for one or two years considering it?—I suppose he was.

945. Lord Herschell was another?—Yes.

946. And Lord Halsbury?—Yes.

947. There was a general consensus of legal opinion in the House of Lords, which contains very distinguished and learned lawyers?—Yes.

948. You never heard of any of them objecting to the principle of the Bill. Do you not think this is a thing that we might try and put into shape and proceed with?—Probably it is worth a trial, but I do not think it will work myself; that is all I can say; it is very difficult to say whether it will or not.

949. May I ask you to do us a favour, which will be, I am sure, much appreciated by the members of the Committee. You have already put in the report of the committee of the Institute. If there is any addition, or any comment you would like to make or have leisure to make, we should be very glad if you will do so?—You mean, I presume, simply on the footing of amending the Bill.

950. If you will do so, in any way you think well, we shall be very much obliged?—I will endeavour to do so.

Mr. JOHN HUNTER, called in; and Examined.

Mr. *Bolton.*

951. You are a solicitor practising at Lincoln's Inn?—Yes.

952. And you are President of the Incorporated Law Society?—Yes.

953. I believe you were articled to the firm in which you are now the senior partner?—Yes; 45 years ago.

954. You were admitted to the profession in 1855, and became a partner in the firm in 1860?—Yes.

955. During the whole of the time that you have been in practice you have been engaged to a considerable extent in conveyancing, I think?—To a considerable extent.

956. Did you hear the evidence given before the Committee by the Lord Chancellor?—Yes, I was in the room all the while.

957. His Lordship referred to a letter that he had received from a solicitor in the West of England, complaining of his bringing in the Land Transfer Bill to the injury of solicitors; have you anything to say about that?—The Lord Chancellor referred to the same letter in the House of Lords on moving the Third Reading of this Bill. I thought it was rather unfair to produce that as if it were evidence of the views of solicitors, because the law societies, both in London and in the country, have been opposing this Bill entirely on the allegation that the Bill is unnecessary, and will do more harm than good to persons dealing in land. We have never put forward our own professional interests as a ground for opposing the Bill.

958. For the next 20 years, I suppose, the investigations of title will very largely still go on?—The Lord Chancellor stated so, and Mr. Wolstenholme has stated that if possessory titles are adopted (and it is not likely that anything else will be, in the first instance), investigations must go on into all transactions before the commencement of registration; and I think, to a considerable extent, they will have to go on subsequent to registration; and if so one would say that solicitors will be quite as much wanted, and get as much benefit out of the transactions in future as in the past, for this generation, at all events.

Mr. Bolton—continued.

959. Possibly the extra work that this registration will involve, and which will have to be paid for by somebody, will to a certain extent for many years compensate for the loss that the profession will sustain?—Very possibly, for some part that may disappear.

960. I suppose there is a danger that a certain amount of land transfer work will be done by agents like those in America, land brokers and land agents, and so on?—That is a matter that the law societies do look forward to with some apprehension, viz., that unqualified persons who are in no way under the control of the courts, or under superintendence of any sort, may have greater facilities for carrying out transactions of this sort than they have had hitherto.

961. You do not think it can be said, do you, that the Incorporated Law Society, or the Provincial Law Societies, or solicitors as a body, have set themselves against reform in connection with land transfer or anything else?—Certainly not. All the reforms, of the last 15 years, at all events, have originated with our societies; or, I think, at all events, they have been promoted to a great extent by them. The chief things were the Acts of 1881, the Settled Land Act, and the Conveyancing Act; and there was the Trustee Act, 1888, which got rid of a great many difficulties in dealing with land. The Land Charges Act, 1888, again, was promoted by our society, which established the central registry instead of charges which had to be searched for in 20 different places. At all events, we have always been propounding schemes for shortening and simplifying conveyancing, although we have got no large scheme carried at present. The amendments which have been made up to the present have been by Acts affecting details, and most of them have emanated from our institution.

962. Then if there is any impression that the failure of the Land Transfer Act of 1875 has been caused by the solicitor branch of the legal profession, that is an erroneous impression, you would say?—My own impression is that the failure of the Act of 1875 is entirely attributable to its having contained a clause that anybody once putting land on the register should not be able to take it off.

Mr. *Ellis.*

963. Would you kindly refer us to the section?—In the Act of 1862 there was express power to take the land off, and under that Act of 1862 it turned out that one-third of the cases that were put on were taken off. When the Act of 1875 was passed, that power was got rid of, as I have always been under the impression; and I, myself, have abstained, on one if not more than one occasion, from advising people to go under the 1875 Act for fear of not being able to get off again if we did not like it. I am not the only person who thinks that, because Mr. Brickdale in his book says that every witness examined before the Committee of 1878–79, expressed his opinion that the loss of the power to remove the property from the register after it was once on had deterred people from putting it on. It was very natural that it should do so, because they found under the 1862 Act that they wanted to get off when they were once on.

Mr. *Bolton.*

964. I believe the view taken by the Incorporated Law Society is the view which is taken by all the provincial law societies and the legal profession individually throughout the country with regard to the proposed change from transfer by deed to compulsory transfer on a register?—If you multiply our objection to it by 10 or 50 perhaps it would be within the mark. The country law societies have a stronger feeling than the London Law Society against the proposal to compel people to transfer their property by an entry in a book made by an official, instead of by a deed prepared by themselves or their own adviser or agent.

965. You have heard statements made before this Committee that the transactions in land transfer years ago were estimated at something like 300,000 a year, some years ago?—Yes.

966. I presume you would say that they have now increased?—I think they must have very much increased; an enormous sub-division of property has taken place since then.

967. And before any change such as this is proposed do you think there should be some full and careful inquiry by a body of competent and skilful persons taking evidence very fully?—We think so, and that the scheme should be very carefully settled before it is attempted to compel people to make use of it to the exclusion of our present system.

968. And do you not think that it would be far wiser to reform the present system of transfer by deed, and also to reform the voluntary system of transfer on the register, before attempting anything compulsory?—I think so. I have had a pet scheme of my own for reforming transfer by deed for a long time, instead of by register.

969. Is that an opinion which has influenced practically nearly all law reformers until very recently?—I think so. Lord Westbury's Bill was voluntary; Lord Cairns' Bill was voluntary, except to the extent that when he had once caught a fly he would not let it go; and there has been no other scheme proposed that I know

Mr. *Bolton*—continued.

of, except this Bill and its predecessors, for compelling people to adopt an entirely new system to the complete exclusion of any other.

970. And do you believe that if this Committee were to leave the present land transfer registry under the Act of 1875 voluntary, and to reform it where it was thought desirable, and at the same time to reform the system of transfer by deeds, the solicitors as a class would fairly endeavour to give those alternative methods of dealing with land a fair trial?—I think they would. They did in 1862, there is no question about it. A great many people tried the 1862 system.

971. I believe Mr. Brickdale, the present assistant registrar in the Land Transfer Office, at one time seemed to think that the system should not be compulsory?—Mr. Brickdale wrote a book in which he adduced very strong arguments against making the system compulsory, until it had been proved by experience to be adapted to the wishes and wants of the people who would have to make use of it. That book was written four or five years ago, and their business has diminished very much, instead of increased, since then.

972. You have heard reference made to-day, in questions that have been put to a witness, as to the number of learned lords who are in favour of this Bill; the Lord Chancellor and Lord Halsbury in particular; I suppose, as a fact, you know that the practice of those learned lords before they became judges had not been very largely in the transfer of land and practical dealing with conveyancing?—The Lord Chancellor stated that his only experience of real property law was gained during the 12 months when he was a pupil; I think it must be common knowledge that Lord Halsbury had not had much practical experience in dealings with real property.

Mr. *Greene.*

973. And the late Lord Selborne?—It is news to me that Lord Selborne did propose to make it compulsory. I do not recollect his having done so.

Mr. Bolton.

974. What do you think the effect of a compulsory system would be upon business?—If the obligation to deal exclusively with land through the system of a register does cause so much difficulty and increased expense as our society thinks it will, I think it must have the effect of diminishing transactions in land to a substantial extent.

975. Are you not rather surprised to hear the Lord Chancellor suggest that the building societies throughout the country have considered this Bill, and are very much in favour of it?—If the building societies are anxious to see it made compulsory, I cannot see why they do not make use of it now. It is certainly not the case that they are ignorant of it (which the Lord Chancellor suggested was the reason why people did not make use of this register), because for some time past Mr. Brickdale has been delivering lectures to building societies, and explaining the great advantages of the system, in the hope of inducing them to come there; but they

Mr. *Bolton*—continued.

they will not, or do not, at any rate. They can use it if they like.

976. I suppose you are a little surprised to find that a semi-judicial official like the registrar of an office of this kind should go round the country lecturing and advocating people coming to his office to transact business?—I have not been in the habit of looking at the officials at the Land Transfer Office as semi-judicial at all. I think they are very strong advocates. They advertise their system every day in the "Times," or they did until quite lately.

977. With regard to the Act of 1875 being made compulsory as now proposed, would you give us your opinion with regard to leaseholds; I believe you have had a deal of experience in that line?—My practice being in London, and the great majority of titles to be dealt with in and about London being leasehold, I have been buying and selling leaseholds every day of my life for the last 30 or 40 years. I mean investigating titles for buying and selling leaseholds; and it is quite a mistake to suppose that they are complicated in the same way as freehold titles are. They cannot be. Practically, the only inquiries to be made on investigating a title to leaseholds now are substantially whether the covenants have been fulfilled under the terms upon which the lessee holds the property, and whether all the consents that are required continually now from freeholders or intermediate landlords have been given, and whether there are any charges upon the property, in the suburbs at all events, in connection with new roads and local improvements, all of which are charged upon the lessees as a rule; and every one of those inquiries would have to be made just as much if the land were on the register as if the title depends, as it depends to-day, upon the production of deeds. The only thing that would be saved if the leasehold title were on the register would be the examination of the deeds transferring the legal estate in the property; those are all in one common form, and anybody who looks at the names at the top, and at the signatures at the bottom, and at about three lines in the middle, will know directly whether there is anything amiss with them. I think I may say that I could examine a leasehold title with 20 deeds in it in 10 minutes at any time, subject, of course, to somebody having checked the deeds to see that they are correctly abstracted.

978. Then, at all events, this terrible complication which the learned Attorney General suggested in the questions that he put to Mr. Wolstenholme do not exist with reference to leaseholds in London?—Leaseholds, to begin with, are not subject to the statute uses, and, therefore, you cannot transfer them from one person to another without the signature of the owner, which makes a great difference in the case as between leaseholds and freeholds. Then, again, leaseholds are not subject to succession duties and estate duties in the hands of purchasers; that, again, makes a very great difference. Then there is one still more important thing: that a lease, in and around London, at all events, as a rule only contains one single house, and that one single house is continuously

Mr. *Bolton*—continued.

dealt with from time to time as a unit, and, therefore, there is no trouble about identification or boundaries or plans after the first start off. When you have got your lease once granted the Conveyancing Act prohibits a purchaser from looking into the title of the grantor of the lease; and then all you have to do in buying the lease is to see that each transfer has been correctly executed. That would be saved by finding the entry in the book that the last transfer had been duly registered. But all the other inquiries as to fulfilment of covenants, such as whether the house has been painted, or doors and windows opened, I mean extra doors or windows, or structural alterations, and that class of inquiry, will require to be made just as much with a leasehold on the register as with a leasehold passing by deed.

979. The instructions issued by the Land Registry seem to suggest that leases have considerable interest for them?—Their instructions say that a lease ought to be registered the moment it is granted.

980. The words are: "Every lease should be registered by the lessee immediately it is granted. . . . . If thus registered the title is kept clear from the commencement; if not, the title becomes (often in a short time) as troublesome and expensive to prove or deal with as the title to a freehold"; that is at the bottom of page 4. Whoever wrote that statement that a leasehold becomes "in a short time as troublesome and expensive to prove or deal with as the title to a freehold" was certainly quite unacquainted with the ordinary practice of conveyancing in connection with leaseholds, was he not?—That is quite inconsistent with my experience, at all events, and I think I have had as much as most people of leasehold conveyancing.

981. There is the feature in leaseholds, especially in London, of the creation of improved rentals, is there not?—Yes.

982. Do you think that a system of registration is very applicable to the securing of those rent-charges created under leases?—There may be two, three, four, and five registrations of title of the same property, according to the different interests in them. If you take this property just beyond here, which belongs to the Duke of Westminster as the freeholder (at least to his family), there is a leasehold title vested in the Cubitt's family, who took the first lease; then under-leases were granted to the people who took the land at a moderate rent and built the houses; and those again have underlet right down till you come to the actual occupying tenants.

983. And the improved rentals are secured on each lease and under-lease in many cases?—There is a difference, and a substantial difference, no doubt, between the rent under the first lease and the rent reserved by the second lease, and the third lease very generally, and very frequently a fourth.

984. Do you not consider that the system of transfer and conveyancing by deed is much more practical in cases of that kind than any complicated arrangement on a register?—I think that the complications would be very considerable if

Mr. *Bolton*—continued.

you found the same item of property on four or five different pages of a register, with consecutive histories of each separate interest.

985. The first lease would appear on the freehold title, I suppose?—The fact would appear on the freehold title that a lease had been granted. Then there would be a separate register of that leasehold interest with a note that a sub-lease had been granted. Then you must have another register of the sub-lease with, possibly, in very many cases, a note that a fourth sub-lease had been granted.

986. And so on?—And so on *ad infinitum*. I think it would be difficult to make the register in such a case as that work simply and smoothly.

987. I believe your firm acts for one of the the London breweries, and you have had considerable experience in preparing and carrying out deeds executed on the transfer of public-houses, for instance?—Yes; I think that class of business would be very much hampered by this proposed system. The public-houses in and around London are substantially all held upon lease, and, therefore, the only title to look at is the title to a lease, which I have already said is much simpler than a freehold title. When a publican has got the leasehold interest in a public-house, he generally mortgages it, always once, and as often as not three or four times. When he sells his house there is what they call a "change" carried out, which is always carried out on the premises themselves, where the vendor and his four mortgagees meet, and the purchaser and his intending lenders (often two, three, and four in number), come to, and the accounts are gone into with such particularity that when the accounts are arrived at, the stock gauged, and all the rest of it, the out-going man clears the till, and the next 2*d*. for a half-pint of beer that goes into the till belongs to the purchaser. That involves carrying the business out on the premises. When the figure is arrived at, the purchaser and his three or four mortgagees produce their money, and that is distributed by the intermediary (whether a broker or solicitor), amongst the vendor and his mortgagees, and then all the necessary documents are signed. Under this proposed system no interest in the property at all would pass from vendor to purchaser on signing anything; no interest passes until the people, either by themselves or by their agents, meet at the office and make an entry in the book; and I do not think that mortgagees will be willing to advance money to a man until that entry is made in the book. It seems to me that there would be a very substantial block to carrying out that business in the way that is done at present, or in anything like so simple a manner. There are a very large number of them, and they are very large in value.

988. Do you not think that the result of that would probably be that all those people would have to assemble at the registry, or that some deputy registrar or official would have to attend at those establishments?—The registrar, I suppose, would hardly depute anybody to attend such a change, like one does at a dissenter's marriage.

Mr. *Bolton*—continued.

989. Then, practically, it would be very difficult, if not impossible, would it not, to carry out transactions of that kind?—It would be very difficult, I think, to carry out that particular class of transactions, certainly with anything like the same facility as at present. Perhaps I may mention as to those particular transactions, that the brewers have long established a special scale of charges, very much below the ordinary solicitor's scale of remuneration.

990. And you have not heard any great complaint of the unfairness of charges?—No; I settled the scale myself at the Brewers' Hall. Our maximum charge is 50*l*., if the purchase money is 10,000*l*. or upwards. That involves buying and selling, and completing the sale. They get a good amount of work done for their money, I think.

991. And there are restrictive covenants and special arrangements that are embraced in these transactions?—Those deeds, on the assignment of a public-house lease, nearly always contain a covenant by the vendor that he will not trade within a certain distance; that, I believe, is a thing which you could not put into one of these simple forms of land register, and there are a good many other covenants besides.

992. And with regard to the vast number of leasehold transactions in London, which are very varying in their character, and of which this is only one illustration that you have given us, do you think that the present system of dealing with these transactions by deed, the parties acting for themselves without any interference by a registrar, is not very much better than having all these transactions on the register?—I think the present system is the better, because the only thing that would really be saved would be the looking at these deeds which transfer the legal estate time after time from the vendor to the purchaser, which is so simple that it can be done very rapidly and very easily; but the material inquiries that have to be made now would still have to be made whether there was a register or not; I mean inquiries to satisfy yourself that the lessee has not injured his property or risked forfeiture by transgressing his covenants and obligations.

993. These objections that you have would of course be increased very materially if all leases were to be subject to the creation of and transfer through a register?—Certainly; the more they are the worse it will be.

994. Of course you understand that under the Bill it is contemplated that the lease itself shall be deposited at the registry, and an office copy given?—So I see.

995. And then afterwards all interests connected with the lease, all transfers, all mortgages and sub-leases are dealt with by entry on the register?—Yes, I understand that a sub-lease creates a fresh unit to deal with again.

996. Considering the vast number of these transactions in London and their varying character, you are very strongly of opinion, I understand, that it would be better that they should be dealt with by deed instead of upon a register?—I think it is much more likely to be carried out promptly and economically in that way

Mr. *Bolton*—continued.

way than in the other without the intervention of any such Department.

997. The costs of creating and transferring these leasehold interests, under the existing system, are limited and not very large, are they?—The Solicitors' Remuneration Act applies to them, to the advantage of the solicitors, no doubt.

998. You have on several occasions made some suggestions with regard to the improvement of land transfer, and perhaps you would like to hand in any suggestions that you wish to be put on the Minutes?—Substantially, I think that dealing with freeholds might be assimilated very much to dealing with leaseholds. I advocated that as long ago as 1885, in a paper which I read at one of our country meetings at Liverpool, and I should like to hand in that Paper, as showing, at all events, that I am not wedded to the old-fashioned real property law (*handing in the same*).

999. With regard to the conveyance and mortgage of freeholds, is there, so far as you know, any great complaint as to the difficulty of conveyancing or the expense of conveyancing?—I do not find it. Now and again there is a grumble, but as a rule we hear very little of it. It is more a theoretical complaint than a practical one.

1000. You have heard the evidence that has been given by Mr. Wolstenholme?—Yes.

1001. Do you concur with him as to the reasonable character of the present system of conveyancing and the reasonable amount of the charges that are made?—I quite take the same view that he does, that it would be an improvement if equitable titles could be kept off the title. It is done to a considerable extent by means of trusts for sale, and I think it might be carried a good deal further. Then there are a good many difficulties imposed on conveyancing transactions by Acts of Parliament, particularly the Succession Duty Act. I cannot see how, without repealing the sections in the Succession Duty Act, which make property in the hands of the purchaser liable for duties, it is possible to rely upon an entry in the register such as is proposed. I do not know whether I am right in that.

1002. With regard to the title to freehold property, it is incorrect, is it not, to say that in the practical dealing with freehold property there is any enormous grievance as to length of titles, except in very large and complicated transactions where the circumstances of the case involve a certain amount of complexity?—They have been very much simplified of late, particularly by giving the tenant for life power to override everybody else interested in the settlement. Before the Settled Land Act if we wanted to buy property we had first to get a title from the trustees; then to see whether the trustees could sell, whether the conditions were such as they ought to allow, whether they could give a receipt for the money, and what consents were required, and a score of other difficulties. Now the tenant for life overrides everybody interested in the settlement and that gets rid of a large mass of inquiries.

1003. Have not all those Acts to which reference has been made, such as Lord Cairns' Act, so reformed conveyancing that they have had the effect of enormously simplifying titles and conveyancing?—They have cut down the length of abstracts very much, and cut down the length of deeds still more. There are only four technical words that you must use in a deed now; you must describe the vendor either as "beneficial owner" or "trustee," and you must use the mysterious words, "fee simple." If you do not use them the purchaser does not get the property for any longer term than his own life. It is a most ludicrous thing.

1004. In the actual work of conveyancing do not you generally take the title of the previous purchaser if and when it has been investigated?—You try back to the last really *bonâ fide* sale or mortgage to a stranger; you go back 20 years, or something of that sort for it, and start from there as a rule. If you can find a conveyance from one person to another for a real market value price, say 20 years ago, you do not look much behind that.

1005. And the deed of conveyance is not a very long or elaborate document, is it?—You may make it certainly far shorter than a power of attorney to sell consols. I think you can make it as short as the transfer of consols or Government stocks.

Chairman.

1006. Provided it is fee simple from one person to another?—Yes.

1007. You might do that in 10 or 12 words if you like?—There or thereabouts. I have got one here not much more, I think.

Mr. *Bolton.*

1008. Therefore, to carry out this transaction by an entry on the register, would not be any enormous saving of expense?—So far as entries on the register go and the deeds, I have three deeds and three entries on the register of the same property, and it seems to me that the entry on the register covers quite as much parchment. That (*producing the same*) is the conveyance of a little bit of land to myself; and that (*producing the same*) is the certificate of title, and I do not think there is much to choose between the two.

1009. Those are very short documents that you produce?—One was a conveyance from two vendors to myself, which covers one piece of parchment; the other is the certificate I got from the Register Office afterwards as completed. It is the 1862 Act, not the 1875 Act.

Chairman.

1010. You are speaking now of the 1862 Act altogether?—Yes.

1011. But that is superseded entirely, is it not?—No, it is still existing.

1012. As to existing transactions; but as to all future transactions is it not superseded?—I am not quite sure whether you can get on to the 1862 register or not; I think not.

1013. No, that has been closed for 20 years?—

Mr. *Bolton.*

1014. But comparing those two documents, the one a certificate of title on the register, and the other a conveyance outside, there is not an enormous difference, is there, between the two?—I do not think there are 50 words difference.

Chairman.

1015. But this conveyance under the Act of 1862 is under an Act which is universally condemned, is it not?—No, it is thought much better than the 1875 Act.

1016. But you agree that the records have been closed upon that Act, and another Act has been accepted, has it not?—But you go on transferring property originally registered under the Act of 1862 still on the 1862 register.

Mr. *Bolton.*

1017. But the forms used under the Act of 1875 are substantially the same as those under the Act of 1862, are they not?—I think the form of certificate is much the same, the proofs of execution are simplified now, and they have got rid of the necessity for printing. I do not know why they have not simplified the procedure under the Act of 1862. That is what they ought to do, in my opinion.

1018. But you have here two documents, one a conveyance off the register and one a certificate on the register, and I gather from what you say that the one document is not much more lengthy than the other?—These particular things that I was producing were a conveyance off the register and the certificate of the same property granted to me by the Land Registry in pursuance of the conveyance.

1019. And the length of those documents is substantially about the same?—Yes, they seem to be very much the same.

1020. I do not want to take you through the evidence given by Mr. Wolstenholme as to the objections he has raised to the Land Register, but do you concur in the objections, or have you anything to add to what he has said?—I listened to all Mr. Wolstenholme had to say, and I take very much the same view of it that he does, that whatever is done on the register at present is an addition to the work of conveyancing; and, whatever the cost may be of dealing with the thing on the Land Registry itself, that is an addition to the cost of conveyancing; it is not a substitution for it. If a man chooses to do his own business now, he can do it for nothing, and I do not think there is much more difficulty in doing it without a register than with it, so far as simple conveyance goes.

1021. And you agree that the present system has flexibility and adaptability to transactions of the kind, which the hard and fast rule of the Land Registry does not possess?—I think so.

1022. Coming to the proposed registry, what do you say as to the suggested mode of equitable mortgage by deposit, dealing with equitable securities; that is, by Clause 14 of the present Bill?—I think that is a very cumbrous proposal, and a very unnecessary one. The Act of 1875 provided in a few words that the deposit of the certificate of title should have the same effect as the deposit of the title deeds, and the officials of

Mr. *Bolton*—continued.

the Land Registry chose to destroy that clause by printing on their certificates the statement that the certificate need not be produced in future dealings. If they want to facilitate borrowing on the deposit of certificates, I should like to return to the Act of 1875, and prohibit them from putting such a notice on the certificate; that is the legitimate way to do it. Instead of that they now want to propose that anybody who desires to borrow, or thinks he may have occasion to borrow, has to get a duplicate certificate (the deposit certificate) an exact copy of the first one, with the word "deposit" or some other hieroglyphic on it, and as long as that deposit certificate is out, no dealing can take place on the land without the production of it. I cannot imagine any reason why they should insist upon giving you a second certificate to enable you to do what you could have done under the Act of 1875 with the original certificate, unless it is that they do not like to see business pass their doors without any emolument to themselves. I can see no other reason at all.

1023. In fact that deposit certificate is only a mode of getting a fee?—I can see no other virtue in it. I have been told that there was great inconvenience to people in not being able to deal with their property without producing the old certificate; but if the new certificate is out, whether you call it the new certificate or the deposit certificate, it is the same thing.

1024. There may be two out?—There is one stamped that it must be produced, and the other stamped that it need not be produced; that is all.

1025. If either of those certificates are lost, then, if the registrar is satisfied of the loss, it rests entirely with him; he can issue a fresh certificate?—The first certificate, the one not stamped as the deposit certificate, is a mere piece of paper of no value at all; but if the second one is lost the registrar must of necessity have the power to deal without it, on proper evidence. He must require whatever the rule of the office, or whatever his experience would dictate.

1026. Then if he issues a second certificate and the first certificate is not properly discharged, he places in the hands of the person to whom he issues the second certificate facilities for obtaining money by fraud?—I suppose he would take the same precautions as a registrar of stocks and railway companies does.

Chairman.

1027. It comes to this question: that if John Jones stole or picked up William Smith's certificate, I suppose, unless the registrar of the office believed that he was William Smith, and he could satisfy him of it, he would not act upon it, nor would his bankers?—The office have abandoned the practice which prevailed in the first instance, which required the original certificate to be given up; and in that, I think, they have greatly facilitated the risk of fraud. Railway companies and everyone of that class require you to give up the stock certificate before they will allow you to make the transfer. The Act of 1875 provided in effect that that should be done by

Chairman—continued.

by enabling people to use the certificate as security for deposit; but the regulations in the office, without any Parliamentary arrangement at all, have put an end to that.

1028. And you would prefer to amend the practice?—Yes, I prefer to go back to the Act of 1875 so far as that goes.

Mr. *Bolton.*

1029. There is no value, you consider, in this proposed second deposit certificate, to meet the objections of bankers?—I do not see any advantage at all in having the deposit certificate in addition to the other; I do not know whether I am right or not.

1030. I believe you have, in your large experience, had very complicated cases of dealing with property, which would be almost impossible to record under the Land Registry; will you give an illustration?—The point that I wanted to make was what a very small proportion of transactions in land are really *bonâ fide* transfers from the vendor to the purchaser. Between two sales there may be frequently 20 different transactions, which it would be quite unnecessary to register for the purpose of any protection to the purchaser. While I was preparing this proof I was obliged to leave to attend to something else, the particular thing being a contract to sell some freehold property in the city. The property was acquired by the last owner on the occasion of a sale; it was bought from strangers at some time between 1840 and 1850. The then purchaser made a will leaving the property to trustees, with a direction that they should offer it to his sons, who were his successors in business on certain valuations, and so on. The sons exercised the option of buying, and they took a conveyance from their father's trustees; that was No. 1. They mortgaged it back again immediately to their father's trustees for all the purchase-money (it was a family transaction); that was No. 2. Then they executed another mortgage to their father's trustees for the balance which was due on partnership accounts in connection with the business; that was No. 3. Then they became the owners, as tenants in common, of the property.

1031. Of the equity?—Yes; of the equity, for the legal estate was outstanding. In 1876, the owner of one undivided moiety mortgaged his moiety; he could not have done that under the register as an undivided share. In 1877, the mortgagees re-conveyed that mortgage to the mortgagor. Then the next thing was, that the mother of the purchasers having died, the family accounts were all settled up, and the mortgages to the father's trustees were released. Then there came a division of the property; there were four houses, and one partner took one house, No. 4, and he conveyed his moiety of the houses, 1, 2, and 3, to the purchaser of those; and the man who took the Nos. 1, 2, and 3 conveyed his moiety of No. 4 to the other one. On the land registry as worked at present, you cannot deal with the conveyance of an undivided share at all. Then the man who took the houses Nos. 1, 2, and 3, executed several mortgages on

Mr. *Bolton*—continued.

them; the mortgages, in more than one instance, were to trustees; the trustees changed during the existence of the investments, and those mortgages had to be transferred to new sets of trustees. Then the owner who had taken the three houses died, and he left his property, including those houses, to trustees upon trust for his widow for life, and, subject to that trust, to pay annuities to his daughters, and raise a sum of money for the grandchildren, and, subject to that, for three sons. During the widow's lifetime two sons mortgaged their undivided shares on two or three occasions. After the widow's death one son sold his share to his two brothers, and then the trustees of the will transferred to the two sons, who had acquired the whole interest, the property discharged from the trusts of their father's will, after having set aside something else to provide for the annuities, and so on. There were, I think, 28 different transactions between the time of the last purchase from a stranger and the time of the present sale, and those deeds were all prepared in my office, and substantially without any lengthened investigation; I knew the whole story. And I think it would have added considerably to the expense of those 28 transactions, far more than enough to pay for the extra cost that would have to be incurred now in selling, assuming that there is extra cost, if they had had to go on the register in the meantime.

1032. And some of those transactions (without particularising them) it would have been very difficult to put on the register?—You could not have dealt with the undivided shares certainly.

1033. And that is only an illustration of other cases which would be equally difficult?—I only intended it as an illustration of the very numerous transactions that take place in freehold and leasehold property for which the register is really not wanted, to put it at the highest.

1034. And if the register were established merely to deal with the legal interest, as is suggested, there would still have to be a very large number of subsidiary and supplemental deeds?—There is no doubt that there must be a great many transactions (at least if the world is going on in the future as it has in the past) in real property that will not be entered on the register. All sorts of dealings with equity, and transactions *inter se* amongst joint owners, and so on.

1035. And do you not think that the introduction of the register and the registrar would, if anything, complicate matters and raise difficulties in the way of dealing with property such as you have referred to?—I think the facility is much greater now when people employ their own agents and pay them for the job instead of by the day. People are now to be found at their beck and call every day, and at all hours of the day and night to do what is wanted; whereas the other gentlemen will have proper hours and proper remuneration by the day, and will attend to each thing in turn, instead of giving anything its chance, because it is pressing. I think there is a substantial point in that.

1036. Do you concur with Mr. Wolstenholme as to the difficulties connected with mines, minerals,

Mr. *Bolton*—continued.

minerals, easements, boundaries, and other questions that he has referred to?—As to mines particularly, there was one case mentioned to me a short time ago where property was on the register without any mention of mines. The owner granted it all out in building leases, and then sold his ground rent as investments to trustees. The solicitor acting for the purchaser told him (and he was advised by his counsel) that it would not be safe for his trustee clients to buy these ground rents, because, there being no mention of mine rents in the document, the Act of 1875 not only reserves the mines, but reserves the right to work and search for them. There was a theory that power was reserved for some unknown person whose name was not on the register to come and dig holes in the property and search for mines, and he was afraid that it was not safe to make the investment. They told me that they consulted Mr. Brickdale (whether the present gentleman, or his father, I do not know) and he concurred in that view.

Chairman.

1037. I do not quite follow that; because I find that Section 18 of the Act of 1875 does deal with the rights to mines and minerals, and enables them to be put on the register. Will you give us the facts of that case?—Section 18 says, that all registered lands shall, unless the contrary is expressed, be subject to rights to mines and minerals, and rights of entry, search, and user, and other rights incidental. In this particular case that I am speaking of, the man had been registered as the owner of the property without being registered also as the owner of the mines. If he had taken an ordinary conveyance, independent of the register, the conveyance of the surface would have covered the mines.

1038. He might have had the fact inserted as a fact that he was entitled to the mines; he ought to have taken ordinary precautions?—I do not know about ordinary precautions, because they were unusual. It was not the man dealing with the property, but some predecessor of his in title, who had made the mistake here; a mistake had been made, no doubt about it, but it was a very natural mistake, because anybody not having the Act in his head would assume that the conveyance of the land conveyed the mines, as it does in other cases.

Mr. *Bolton.*

1039. With regard to the repeal of the Statute of Limitations, so far as concerns registered land, have you anything to say?—I think that is very objectionable, but a good many people take a different view about it. Under this Bill the Statute of Limitations remains in favour of the registered owner; they have been vacillating, because in one of Lord Halsbury's Bills he repealed it altogether.

Mr. *Greene.*

1040. The Bill does not touch that, I think?—The 1875 Act does.

1041. But the Bill does not?—No, this Bill does not; it only makes it compulsory upon us to use a system that nobody has used hitherto.

Mr. *Bolton.*

1042. The repeal, so far as the Statute of Limitations is concerned, is in the Act of 1875, is it not?—Yes, and this Act is to be read as one with the Act of 1875; and practically the Act of 1875 is not being used.

1043. And it is with the view of ascertaining your opinion upon this, as it is incorporated, that I ask you the question?—I think it is a mistake; but that is a matter of opinion.

1044. Have you anything to say as to the position of married women under the Act of 1875?—I have my doubts about that; the Act of 1875, Sections 44 and 45, contains an express power for the husband of any female registered proprietor of freehold land to apply to be registered as co-proprietor in the case of freehold, or absolute proprietor in the case of leasehold or charges. Then, this Bill of 1895 has to be read as one with the Act of 1875, and takes no notice whatever of the alterations made in the law about married women's property in the year 1882; and I think before the Act of 1875 is brought into general use, and re-enacted in 1895, that ought to be provided against.

1045. What is your opinion as to the effect of Section 4 of the Bill with regard to leases granted by limited owners?—That is another thing. Section 4 provides for the registration of settled land, and provides also that nobody dealing with the land shall be in any way affected by notice of the trusts; and I refer to that with reference to the power to grant leases. At present tenants for life can only grant such leases as are authorised by the Act or authorised by the instrument creating the settlement. We had a striking instance of the attempt to get out of this a year or two ago, in the Duchess of Sutherland's case. It seems to me that if you get a person registered as tenant for life, or as limited owner, with absolute prohibition against inquiring into the terms on which he holds, that would remove altogether the restrictions that limited owners have now, at least as between themselves and strangers, of granting improper leases, which are very stringent. I think that protection would disappear.

Chairman.

1046. If you knew from the register that they were limited owners, would it disappear?—You cannot know. The Bill says that whatever you find on the register you shall not know. That is Section 4, Sub-section (6): "Nothing in this section shall authorise the entry on the register of any reference to or notice of a settlement;" and Sub-section (1) is: "A person being tenant for life of, or having the powers of tenant for life over, settled land may be registered as proprietor of the land, subject to the following restrictions," of which that Sub-section (6) is one.

1047. Just to get this section right (we ought not to have, if we can help it, any differences between us upon points of construction), it is quite true that you cannot have a notice of or reference to a settlement; but by Sub section (2) you describe the man on the register as "a limited proprietor"; that being the case, does not anyone who deals with him know that he is a limited

Chairman—continued.

a limited owner?—By Sub-section (2) he is to be described as "a limited proprietor," but my impression is that this clause enables a person who is tenant for life to do anything whatever with the property, except what is prohibited by this clause.

1048. But only as a tenant for life can sell now on the terms that anything he receives has to be paid into court?—Yes.

Mr. *Bolton.*

1049. Do you think that if a caution were lodged it would give sufficient protection?—My recollection is that there is no protection against it; but I will look into that, if you will allow me. Mr. Wolstenholme was asked just now with reference to dealing with property in shares, and an amendment was suggested upon that; but Lord Halsbury's Bill of 1887 defined land as including undivided shares of land, and if it is intended to be made to apply to undivided shares, that seems to me the simplest plan.

1050. Is it not undesirable to invest an official like the registrar with the power of deciding an important question of that character, as to the granting of a lease such as you suggest?—I do not know whether he would have the power. I think if there were a caution on the register, the man or woman who took the lease would take it with notice that they had to take the consequences.

1051. But the Act of 1875 gives the registrar very considerable powers of dealing, in the first instance, at all events, with questions of this character. There is an appeal; but the registrar is the first person to deal with these matters?—I think so.

1052. Do you think it is desirable that questions of this kind should be decided by an official in the position of a registrar?—It took half the judges of the Court of Chancery to decide, in the case that I referred to, whether it was good or not.

1053. Therefore, in all these cases, there would be appeals necessary from the registrar?—I think so, in all probability.

1054. With regard to examination of title under Section 12 of the Bill, I think you have something to say to us?—Section 12 of the Bill provides that "A purchaser of land whereof the proprietor is registered shall not require any evidence of title," subsequent to registration, "except the evidence to be obtained from an inspection of the register or of a certified copy of, or extract from, the register"; and then there is an inquiry into the title down to the date of registration, showing it to be a possessory title. Now, I investigate a title, and I find that A. B. had a good title at the date of registration; then I look at the register, and find that X. Y. Z. is now the owner of that property. I have then no means; I am prohibited, so far as I see, by this Bill from looking into the first entry on the register to find whether A. B. ever got registered at all.

1055. You have to go and make an official search, and to pay 5*s.*?—No, it is not that. I cannot get the information, if I am right in my reading of the clause.

Mr. *Bolton*—continued.

Chairman.

1056. You mean that a man cannot authorise the entry in the register of his predecessor in title being shown?—I understand not. I understand that you see nothing at all except the last entry of your present vendor, the man you are dealing with. Everything beyond that is all a sealed book.

1057. I am sure that is not so?—I think you will find it so.

1058. That would be obviously wrong?—No; I understand that that is the whole principle of the thing, that I have nothing to do with the past title; I am to turn to the present title, and I find X. Y. Z. is the present possessory owner.

1059. Absolute owner?—No, it would not apply to an absolute owner. But I turn to this page, and find X. Y. Z. registered as the owner of 25, Cheapside. Being only possessory owner, I am entitled to look at the title prior to the date of registration. The date of registration may be 10 years before the date of my transaction, and I shall find that at the date of registration, 1895, we will say, a good title was shown to A. B.; but I have no means of ascertaining that A. B. ever registered his title. There is a gap in the Bill altogether; you block my investigation of the title at the moment of the first registration, and you block me again at the date of the last registration, and there is nothing to show that the first registration was ever completed. But I think there is a much more serious blot than that; that is to say, shutting us out from any investigation of the past at all in connection with the Succession Duty Act; because I can only look at the title to-day, and find that my vendor is the last owner, and in the interval between his ownership and the first registration there may have been 20 events happen, any one of which may have created a charge for succession duty, without any possibility of the official knowing it; because the succession duty claims arise on the cesser of a beneficial interest, but he could have no notice of that; and it seems to me tha you cannot make a safe register of titles without getting rid of that charge for succession duty.

Mr. *Bolton.*

1060. You would have to provide the machinery in this Bill by which Government succession duty would have to be notified?—Lord Halsbury, in his Bill of 1887 or 1888, did that.

1061. And the certificate of title would have to be valid as against Government claims for duty, as well as against any claims whatever to register by private individuals?—Unless they are it is worse than useless, because you land us in a trap if you give us a certificate by one Department of the Government that a man is entitled to property, while another Department of Government comes down upon you for duty which the property is liable to in the hands of the purchaser. And the duty is not only an aliquot part of the property, because every part of the testator's property is liable to the succession duty on the whole.

Mr. *Bolton*—continued.

1062. Mr. Wolstenholme mentioned a case in the Privy Council in which the innocent holder of a registered charge was held not to be entitled to compensation out of an insurance fund. If an occasional flaw of this sort turns up in registered titles will not purchasers decline to accept the entry on the register as proof of title?—If there are a few notorious instances of that sort that will no doubt damn the register very effectually.

1063. Of course no Act of Parliament can compel people to buy who are not inclined to do so?—No, of course not.

1064. What do you think of the broad proposition that the State should be asked to guarantee title?—If the State insists upon transacting people's business and preventing their doing it themselves, I do not know that it is unreasonable, but I think the first proposition is unreasonable.

1065. You altogether object to the State transacting this business?—I do.

1066. You think it is very much better to have this business transacted by practitioners at reasonable charges in the way it is now transacted?—I think so. Competition is much better than State monopolies, or anybody else's monopoly.

Mr. *Bolton*—continued.

1067. And if it can be shown that the present charges are unfair and beyond what they ought to be, you, as representatives of the Incorporated Law Society, would be prepared to discuss with the authorities having power to fix the charges the propriety of a revision of the scale?—I think competition settles it very effectually.

1068. Is it not the fact that competition does very considerably reduce that scale?—Very largely.

1069. Is there any general objection throughout the country to the scale of costs charged with reference to average transactions?—I do not hear of any.

1070. Or on account of any delay?—Certainly, as a rule, there is not much delay.

1071. Therefore, while you are of opinion that certain reforms on the lines of existing transfer by deed are desirable, you are not of opinion that it is necessary to set up a registry such as is proposed by the Bill?—No; it would put an end entirely to the present system, and substitute a new one.

1072. Which you do not think desirable?—No, I think not at all, especially a new one that hitherto has not attracted any custom.

Thursday, 30*th May* 1895.

MEMBERS PRESENT :

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Mr. Lambert.
Colonel Long.
Mr. Tomlinson.
Mr. Tully.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. JOHN HUNTER, recalled ; and further Examined.

Mr. *Bolton.*

1073. IT has been suggested that the entry on the register could be made sufficient to enable the purchaser to dispense with other inquiries, as in the case of Consols ; but is that possible ?—I think, practically, it is quite impossible to get a title to land corresponding with the title to Consols, which can be investigated without any inquiry other than that of looking at a book ; the things are so very different. It certainly could not be done without making very substantial changes in the law as it is now.

1074. What are the difficulties ?—The first difficulty is the question of boundaries. Every Bill that has been brought in hitherto that has proposed to make the boundaries appearing in the register binding upon the adjoining owners, proposed machinery for advertising and giving notice to the adjoining owners. The Act of 1875 and the present Bill does not do anything of the sort, and so if people are to come on to the register at the date of purchase, the country will be dotted all over alternately with pieces of land that are on the register and pieces that are not on the register ; and you cannot have a man that is not on the register bound by statements made by a man that is on the register. If the adjoining owner does not admit your boundaries you have not got what you want, namely, a certain definition of boundaries.

1075. There are certain liabilities, are there not, of owners of land, with regard to occupying tenants ?—Yes, there are a great many that are created by Act of Parliament ; as to the occupation of the land, the Bill proposes that leases should be registered, but there is a quantity of land in the occupation of tenants without leases, or with such short leases as would not be required to be registered, and all sorts of obligations arise between the occupier and the landlord under the Agricultural Holdings Act, and under contracts, and otherwise ; and a purchaser who limited his inquiries to looking to the register might very well find the land which he had bought was burdened with very onerous obligations in respect of engagements entered into or

Mr. *Bolton*—continued.

imposed by law upon his predecessor towards his tenant.

1076. Then, with regard to easements, you have something to say, have you not ?—In respect of easements, there is a perpetual current of litigation respecting rights of light and air, rights of way over land, rights of water, liabilities "*ratione tenuræ*," rights of fishing and sporting, and such like. The register established under the Act of 1875 is expressly made subject to all these rights, and an intending purchaser must satisfy himself by actual inquiries from not only the vendor, but from the occupiers for the previous 20 years at least, that none of these exist ; the Statute of Limitations making 12 years a good title does not apply to easements.

1077. Then as to minerals, what have you to say ?—In all the districts containing minerals, inquiry will have to be made whether any rights to enter and search for them exist in persons other than the vendor.

1078. Then with regard to land-tax tithe, quit-rents, and so on, what have you to say ?—Some land is charged with, and other land is exempt from, land tax, tithe rent-charge, quit-rents, Crown rents, heriots, and such like. Inquiries must be made as to these. I may refer to a case in the newspapers this morning between the Bristol Corporation and a parish which I think is familiar to Mr. Warmington. There, the question arose out of a quit-rent of 3*l.* 6*s.* 8*d.*, payable in respect of a churchyard, and they had to go back 500 years, to see how it originated.

1079. What have you to say with regard to leasehold property ?—If the property is leasehold, the purchaser has to satisfy himself that the conditions of the lease, the breach of which would entitle the lessor to enter, have none of them been contravened. All these things make so great a difference between land and stocks, shares and ships, now transferred by entry on a register, that, in my opinion, it is impossible to reduce investigation of title to land to the simple inspection of a register, as can be safely done in the other cases.

1080. Inquiries

Mr. *Bolton*—continued.

1080. Inquiries as to these matters are now frequently satisfied by examination of documents of title, are they not?—All these inquiries have to be made now, but many of them are ascertained by the examination of the deeds which, under the present system, have to be examined. The examination of deeds, so far as it is not necessary for obtaining information as to these several rights, is the one thing that would be saved if the proposed system is adopted.

1081. If inquiries into equities were made unnecessary, the deeds could be made much more simple, and quite as simple as if the title were established by register, could they not?—Yes, they could be made very much shorter. The proposed system practically relieves a purchaser from inquiring into the equitable title of the vendor, and of persons having charges on the property. If this alteration in law was made to apply to all land, registered and unregistered, the examination of deeds would be limited to seeing the actual transfers of the legal estate for (say) 30 years preceding the proposed purchase; and this would be a very simple and inexpensive business. This was the remedy proposed by Mr. Wolstenholme in 1862 and before this Committee, and by my paper of 1885, already put in, and by the paper which I propose to put in, which is the draft of a report as to alterations proposed to be made in the law of real property. I should add that this report has not yet been adopted by my society, so that it only expresses my views, and not those of the council.

1082. Will you put in that report?—This is the draft report of the committee of our society appointed to consider the question. The suggestions have been discussed, but they have not yet been approved by the council. (*The same was handed in.*)

1083. There are a very large number of dealings with land other than out-and-out sales?—Yes; I think it is very important to recollect that for every one time that land is dealt with by an out-and-out sale from a vendor to a purchaser it is dealt with very much oftener in other ways. In every other transaction than that of an out-and-out sale, or a mortgage to a stranger, the proposed system will add to the trouble and the cost of each transaction the necessity of making an entry of some sort on the register. The class of transactions I have in my mind are all such as would require, in addition to entry on the register, an instrument to record the arrangements, and probably an inhibition to be entered on the register. On the balance of convenience, I believe the extra cost involved in these transactions would outweigh the advantage of the register on the occasions of sale. Statistics already put in show that in sales of small parcels there is little left to be desired in the way of either expedition, cost, or facility, for completing the transaction; and on all large sales the title is simplified every day under the influence of the recent Acts, and the expenses are reduced to a moderate percentage by the Solicitors' Remuneration Act.

1084. Now with regard to the proposed Insurance Fund, what have you to say?—The Insurance Fund is spoken of as sure to be amply

Mr. *Bolton*—continued.

sufficient to provide indemnity against any possible losses; but the return made by the Bank of England referred to, I think, in the Report of the Bar Committee some years ago, showed that they had lost 40,000*l.* a year by forgeries.

Chairman.

1085. Those were forgeries of Stock, I presume?—Forgeries in transfer, in the dealings in their books. Moreover the Forged Transfer Acts, passed within a year or two, to provide against the risk of forged transfers of Stocks, and the notorious cases a few years ago of the fraudulent issue by Redpath of large amounts of Great Northern Stock, and by Robson of, I think, Crystal Palace Stock, show that it is very possible that the losses to be provided out of the Insurance Fund may very easily, in its early years, far exceed the amount of contribution.

Mr. *Bolton.*

1086. Having regard to the fact that registration under the existing Acts has failed to attract business, do you not think it is unfair to destroy the existing mode of transfer?—The Register Act of 1862, with the extreme precautions required for dealing with land on it, and the Register Act of 1875, with its prohibition against removing land from it after it had been once put on, have so entirely failed to attract business that it seems to me a very extreme measure to pass an Act to prohibit people making use of the system which has existed for centuries, and to compel them to use only a new system, which up to the present time is practically untried; and so far as it has been tried, has proved not to be adapted to the wants of the public.

1087. If Parliament were disposed to make the experiment, do not you think that Parliament should limit the area, and also limit the time of the experiment?—If it is to be imposed, it seems to me desirable to use it as the Lord Chancellor described it, as a "tentative measure" in the first instance. But we think that to really make it a tentative measure the system of compulsion ought to be limited by this Bill, not only to a definite area, but to a prescribed number of years, and that it should not be extended or renewed by any other power than that of Parliament.

1088. I think the register of deeds in Middlesex and Yorkshire was introduced as an experiment, but as their duration was not limited, they have lasted 200 years or more; and although very great objections have been taken to them, yet from the difficulties of dealing with the vested interests that have grown up connected with the appointments, and other difficulties perhaps connected with title, it has been found almost impossible to get rid of them?—That, I believe, is so.

Chairman.

1089. That is a registration of deeds, not of titles?—Yes; that is limited entirely to two counties.

1090. Is not all skilled experience now against registration of deeds?—I think so.

1091. The

Mr. *Bolton.*

1091. The object of my enquiry was to show the difficulty of getting rid of the register if you once set it up, however much you may desire to get rid of it or alter it?—We refer to the case of the registration of deeds as showing that this experiment ought to be for a prescribed time; that the endurance of it should be limited by Parliament, to be renewed if it is found to be successful, because the registers of deeds in those two counties have lasted for ever, although they are not wanted.

1092. That would, of course, necessarily limit the compensation that would have to be paid on its abolition to the officials?—Yes.

1093. And give notice to the public generally that it was an experiment, and an experiment only?—Nobody would acquire a vested interest beyond the time prescribed for the experiment, whatever it might be.

1094. Probably you would like to say something as to the cost of the Middlesex Registry to landowners?—From the Parliamentary Return of the Land Registry already put in, it is, I think, a fair deduction that the registration fees from Middlesex have been between 12,000*l.* and 14,000*l.* a year. I infer that from what the figure was before the registry was transferred, and afterwards. The burden on the landowners must, I should think, be three times as much as that, because the fee for registering a deed in Middlesex averages 5*s.* per deed; but, in addition to this, there is an Inland Revenue stamp of 2*s.* 6*d.* on each memorial. There is the cost of preparing the memorial, getting it executed, lodging it, and, until recently, of proving its execution on oath, and in each transaction there are fees for searches not required in other counties. I never found that anybody thought property in Middlesex worth more than similar property in Surrey on account of the register.

1095. Apart from the registration fee, there is a serious responsibility, is there not, in such a case in connection with the searches to be made; it is not uncommon, is it, for persons making the search to stipulate for some special fee for the search?—I never heard of that; I have searched the Middlesex Register a great many hundred times; of course, now we can get an official search.

1096. The register does not very much improve the value of land in Middlesex, does it?—I do not think it does; I never heard that it did.

1097. With regard to the succession duties, you would like, I believe, to say something to the Committee?—At present, under Section 42 of the Succession Duty Act, the duty is "a first charge on the interest of the successor, and of all persons claiming in his right in all the real property in respect whereof such duty shall be assessed." On personal property it is only a charge "while the same shall remain in the ownership or control of the successor," or his trustees. When Lord Halsbury brought in his Bills of 1888 and 1889 he had a clause, which ran over three or four pages, to deal with succession duty, and, even then, I do not think it by any means relieved the purchaser successfully. It is very long and complicated.

Mr. *Bolton*—continued.

Chairman.

1098. The mysteries of the Inland Revenue Acts are almost insoluble; that is the substance of the case, is it not?—I should like to refer to the memorandum prefixed to Lord Halsbury's Bill of 1888 as showing the scheme upon which Lord Halsbury dealt with the Act of 1875. Lord Halsbury's Bill of 1887 was drawn as a Supplemental Bill, to be incorporated with the Act of 1875. Our society made an elaborate report upon it, and strongly pressed that the two Bills should be amalgamated and made into one complete Bill; thereupon, the Bill of 1888 did that. The memorandum prefixed to the Bill of 1888 stated that "In re-enacting the Act of 1875 it has been found necessary to re-cast both the form and substance of the Act to a much greater extent than is usual in measures of consolidation. This necessity is mainly due to the profound modifications of real property law, which, since the passing of the Act of 1875, have been brought about by Lord Cairns' Acts of 1881 and 1882, and particularly to the change which those Acts have created in the legal position of life tenants and other limited owners." It also stated "that in other respects the branch of law dealt with by the Land Transfer Act, 1875, has been materially altered by subsequent legislation." The Conveyancing Act of 1881 was referred to, and also the Judicature Acts, the Married Women's Property Act, and the Bankruptcy Act. "These changes in the law, and the introduction of a compulsory principle, account for the most important departures from the Act of 1875. What has been done, in effect, has been to revise and re-edit the Land Transfer Act, with reference to the Conveyancing and Settled Land Acts of 1881 and 1882, and to re-write it, as far as practicable, in the language of those Acts, with the additions of the Bill of 1887 and 1888." I quote that as showing the difficulty that was found in endeavouring to engraft anything on the scheme of 1875.

1099. The Bill of 1889, again, dealt with the matter in the same manner, did it not?—Yes.

1100. That was afterwards departed from, and they only brought in an amending Act?—Yes, which I do not think they have succeeded in making workable.

Mr. *Bolton.*

1101. The Act of 1888, in its Definition Clause, did not, but the Bill of 1889 did, extend the meaning of the word "land" to undivided share in land, did it not?—That is so.

Mr. *Haldane.*

1102. In answering the few questions which I wish to put to you I would like you to separate in your mind the principle of registration from some of the details of this Bill; some of the details may be proper for amendment; some of them may present difficulties which may turn out to be insuperable, but those are minor matters; for instance, you criticise the new deposit certificate proposed in the Bill; that is a matter for the Committee to consider, and, if they think

Mr. *Haldane*—continued.

well, deal with; so with regard to the registration of an undivided share, that is a principle adopted from joint stock companies, which we may or may not think fit to apply to this Bill. Then, with regard to the question of compensation, it is open to us, if we think fit, to alter the details of the Bill in the way you desire. So, again, with minerals, and so with boundaries; there we may make modifications, although it may be more difficult: but that, again, is a matter of detail. So with succession duty; there the Committee could present, if they please, the Bill in such a form as to bar the claim of the Crown, as in other cases. Now, clearing away those things, let us go to the principle; as regards the principle, that is the registration of a series of fee-simple titles, which are to be free from equities; that is so, is it not?—Yes.

1103. Am I right in understanding your evidence to be, that if the principle of registration were eliminated, you would be yourself entirely in favour of a string of fee-simple titles free from equities?—Yes.

1104. I gather, you really agree with Mr. Wolstenholme's views as expressed in his paper of 1862?—Yes.

1105. Would you have in that case a series of absolute interests in land the title to which would be very short, and which would be transferable without regard to trusts or derivative interests which were so affected?—That is my view.

1106. Of course, that could scarcely apply, could it, to interests out of which leaseholds have been carved; have you thought that out; would you put the lease in the equitable interest?—No; it would be a transfer of the property, subject to the tenancy.

1107. Not to easements?—Easements would generally appear on the documents, I think.

1108. I am afraid they do not always?—I do not say always. I say generally.

1109. Very often they do not when they are got as prescription; but be that as it may, there would be under that system, just as under the register, a certain number of things which would have to appear upon the title?—Yes, certainly; that is practically part of the description of the property. You sell the property subject to the lease, or subject to the easements.

1110. Do you think the law as it stands at present requires amendment in the way of eliminating from the title, and putting, for a separate system of conveyancing outside the title, all the equitable interests other than the derivative interests?—I think that would be a considerable improvement.

1111. You think that is desirable in the public interest?—I think so.

1112. Now, bearing that in mind, let us go to say the concrete case which you put, because it is well to illustrate these cases by concrete cases, the question is, whether you should adopt for the purpose of getting your fee-simple title a register, or whether you should take the system under which there is a series of title deeds to the fee-simple interests. Supposing that land of which you spoke in the City, and which gave rise to so many transactions, had been brought to you under the new system that you suggest, there would have been a title to the fee-simple and all the equitable interests; the trusts that appeared there would have been eliminated?—My suggestion is, that the purchaser should not be affected in any way, whatever notice he has by equitable interests, and should have no occasion to follow them, or to enquire into them.

1113. That feature your system and this register system have in common?—Yes, they are identical in that respect.

1114. But there would be an investigation of title to all mortgages, to all leaseholds, and possibly to easements?—You must satisfy yourself by either an inspection of the leases, or by enquiries, what the terms are upon which the person in actual possession of the property occupies.

1115. So far you would have no advantage from your system over the register system up to that point?—None.

1116. Will you take your case, first of all, for the sake of simplicity, and explain it to us in popular language; I want to get a short description from you; perhaps I may get it best by putting some questions of what happens under the present system, and what would happen under the register system, which has this feature in common with your proposal. Under the present system, supposing the owner of that property you referred to in the City had brought the deeds to you, you would have investigated the title, supposing it to be a sale?—Yes.

1117. Assuming he has come to you for the first time and that you knew nothing of the title, assuming that he wants to sell and wants you to make a title for him to the purchaser, first of all you would take the deeds, and, if there was an old abstract, you would compare it and see whether the abstract was right, would you not? Probably.

1118. Then you would supplement the abstract, unless you made a new one, by adding such deeds as had been executed subsequently?—Yes.

1119. Then you would consider the title, and if it were complicated you might submit it to council?—Yes.

1120. Then if you were going to sell on behalf of the vendor, you would prepare the conditions of sale with special conditions to meet any blot in the title?—Conditions are cut down very much now.

1121. Stop a moment. You told us, and very truly, that titles are also cut down very much now?—Yes.

1122. Still, at law a forty years' title can be asked for under an open contract, can it not?—Yes.

1123. Therefore, to obviate that, you would put in special conditions restricting it?—The only stipulation which I did propose to put in was that the title should commence with 1861. The purchaser objected, and I gave him a title from 1842 instead.

1124. You were fortunate in being able to give him a title of 40 years; in four cases out of five the title is cut down under 40 years, is it not; in four cases out of five, where you have investigation of title, you would have special conditions, would you not, cutting down what the purchaser would be entitled to ask for under the ordinary law?—Frequently that would be so.

1125. I put

Mr. *Haldane*—continued.

1125. I put it four cases out of five?—It was very materially affected, so far as the vendor was concerned, by the rule that the cost of all inquiries which the vendor cannot answer from his own information should fall upon the purchaser instead of the vendor.

1126. The public thought that it had been done, but the Court of Appeal thought otherwise, and said that at all events the vendor has got to make a good abstract of his title for 40 years?—Yes; but still it has had a very material effect in diminishing the number of inquiries into title, because the purchaser finds very generally he has to pay for getting the information, and his curiosity is much more easily satisfied than when somebody else has to pay.

1127. What I put to you was his right to ask for 40 years' title?—Yes, quite so.

1128. Then there comes in the purchaser's solicitor and you hand over your abstract to the purchaser, and the purchaser's solicitor compares the abstract with the deeds?—Yes.

1129. Then the purchaser's solicitor goes and makes searches in the registry?—Yes.

1130. Then, probably, before he has finished that stage he submits the abstract to counsel?—Very possibly.

1131. In the vast majority of cases the purchaser's solicitor and his counsel know absolutely nothing whatever of the title, and are not in the fortunate position of being able to take it upon trust?—Quite so.

1132. You said there might be many transactions in a period of 20 years; there might be 10 sales and mortgages, because of course mortgages are on the same footing?—Yes.

1133. When the purchaser has purchased, and taken his deed, and investigated his title, supposing he wishes to mortgage, he cannot draw any special conditions as to the title, because he cannot protect himself against what his mortgage demands in the way of title; but there has to be a fresh investigation of title by the mortgagee's solicitor, who may again submit it to counsel; again they are all strangers, and again there is the same process as before; is not that so?—No; my experience is that in the great majority of cases, if the mortgage is following promptly upon the purchaser, the mortgagee's solicitor and the purchaser's solicitor lay their heads together and have one counsel and one investigation of title.

1134. That is so if it happens within a few months? If it is a fresh idea that occurs to the purchaser afterwards, and they have to go to a fresh man, you have to make a fresh investigation?—No doubt.

1135. In 10 or 12 years there may be several completely independent investigations of title limited to the same object and covering the same ground?—That may be so if the property is frequently dealt with, but sometimes, when it has been dealt with once or twice in transactions for value paid by a stranger to a stranger, everybody is content with a very moderate investigation of title.

1136. I am not sure that I have found mortgagees so forbearing, but at all events you

Mr. *Haldane*—continued.

have the risk of that under the present system?—Yes.

1137. You said that leasehold titles were simpler than freehold titles, and no doubt they are; but let me ask you a question or two with regard to leaseholds. Sometimes one has seen pretty long abstracts of leasehold titles; for instance, there may have been sub-leases?—In a leasehold title there would be only one sub-lease, unless you mean there may be a sub-lease and a surrender; that may be so.

1138. And also wherever there have been mortgages, those are usually made by way of sub-lease?—Yes.

1139. Somtimes a leasehold title, even to-day, is a very long and complicated business, is it not; I have often seen an abstract of 50 or 60 pages?—That would be very rare, I should think. After you have got the details of the covenants in the original lease, I should think, on the average, six or eight lines, as a rule, would comprise all that was necessary as regards each subsequent deed, if they were properly abstracted,

1140. However, there are some such cases?—There are such cases; not many, I should think.

1141. Not only so, but am I not right in thinking it is the common practice with the solicitor of the landlord (I do not know whether it is done on the great London estates, but it is done on a great many estates elsewhere) to insist upon the registration of each dealing?—Yes.

1142. The effect of which is that on every transaction the document has to be brought to the solicitor, and the registration fee paid on registration?—Yes.

1143. That is another addition to the cost of leasehold conveyancing at present?—Yes; that would not be got rid of by your register system.

1144. I do not know whether you are familiar with Scotch conveyancing, but under one of the Scotch Acts, I think it is either the Titles to Land Act of 1868, or the Conveyancing Act of 1874, those stipulations were made illegal?—Of course, if you make it illegal, that would make it difficult for the landlord. But I may say they are very useful to the landlord; they are worth a certain amount of expense to him; because the landlord wants to know who his tenant is; that is very important when property is changing hands perpetually.

1145. Now, having put those cases under the present system, I want to contrast them with the case as it would be, supposing there was a register system, and supposing we could eliminate all these points of friction to which you have referred; supposing these same deeds had been brought to you on the first occasion, and you had desired to register your owner with an absolute title, what would be the process; let us take it step by step: first of all, probably you would think it right and necessary to make an investigation of title yourself?—Absolutely necessary.

1146. Probably you would lay it before some counsel of distinction, knowing, as you would, that the practice of the registrar is to take an opinion of counsel of distinction as sufficient for his guidance?—Yes.

1147. Then

Mr. *Haldane*—continued.

1147. Then you would go to the registry office and see Mr. Holt, or Mr. Brickdale, or whoever was there, and they knowing you as distinguished in your profession, and knowing the opinion of your counsel to be a reliable one, their investigation of title would be much lessened in consequence of the investigation which you had made, would it not?—If they were to give me an absolute title, I doubt whether it would, or whether it ought to be, at all events.

1148. They might register an absolute title with some qualification?—With a possessory title the investigation would be nothing, of course; but with an absolute title I should have thought they would require every possible requisition cleared off.

1149. You know according to their rules they make very careful investigation, an investigation upon the footing that a careful purchaser would make upon a 40 years' title?—Yes; not upon the footing of a purchaser wanting to get out of his contract.

1150. The expense of registration with an absolute title under those conditions on the first registration need not be largely in excess of the cost of such an investigation of title?—Not in excess of the investigation necessary for a sale on an open contract to a rather particular purchaser, or a very particular purchaser.

1151. That is a very good definition of it; we will say a sale not to a captious or slack purchaser, but to a rather particular purchaser; now that is done once for all at much the same expense as has to be undergone when you make your first careful investigation of title to start off with; then, in the next transaction, the owner of land wanting to sell would simply make his bargain without any special condition, and without having to go to counsel, or having any examination of deeds, or any investigation as to whether the abstract was sufficient, he would simply make his bargain with the purchaser, and say to him, "Come to the registry office, and let us make the transfer in the register"?—I do not know; it might be so, subject to all those details that I have referred to which there is a difficulty about.

1152. We will suppose, for the sake of argument, those difficulties to be out of the way, though I recognise that you say some of them present great obstacles; what would happen in that case would be this, would it not, that the transfer would then take place according to the calculations at a cost something like equivalent to a tenth of the united costs of vendor and purchaser under the present system; I am speaking only of the office fees?—The office fees, as I understand, would be one-tenth of the scale chargeable by the solicitor for the purchaser and the solicitor for the vendor (assuming separate solicitors are employed by the two people). No doubt the office fees would be very small compared with what the fees paid to professional men would be.

1153. Now, there is a qualification which you may wish to make upon that. In the first place, I believe in your profession it is not the practice to charge the full scale on all occasions?—Certainly not.

Mr. *Haldane*—continued.

1153*. And also even under the register system it probably would be necessary, and certainly when there was any complication about the matter desirable, that the intending purchaser and the intending vendor should go to a solicitor for some part of the business?—I expect they will probably continue to do so for a generation, at all events.

1154. I think so too; so that it is putting it in an optimistic way to say that the cost under the register system would be anything like a tenth of what it is at present?—Yes, I think, very much too optimistic.

1155. Still, it would be very much diminished, would it not?—The fees paid to the Government officer for doing his work are very much less than the fees that would be paid to solicitors for doing the work they do, no doubt. I would point out again that if a man does his own work, under the present system there are no fees, and, in that case, this fee for the register would be a tenth in addition.

Chairman.

1156. Can ordinary flesh and blood do that work without calling in professional assistance at present?—There is, no doubt, a common saying about a man who is his own lawyer.

Mr. *Haldane.*

1157. There used to be a toast on the Northern Circuit to the health of the schoolmasters, because they were in the habit of drawing the deeds in the country districts. However, we have got to this point, I think, that assuming this system worked out to anything like the extent (and we may cut off a big percentage for contingencies) which the principle of register implies, there would be at least the getting rid of all these repeated investigations of title in transactions when new solicitors come in. I think the simplicity of the case which you put, about dealing with certain property in the City, arose largely from the fact that you were acting for the family, and knew the title; but that, you said, would not apply to dealings in the open market?—What I said was, that that class of dealings were so very numerous as compared with dealings in the open market, that I thought the saving on the dealings in the open market would be outweighed by the extra cost in the dealings not in the open market.

1158. At least half of these transactions, as I gather from you, are transactions which, even under your proposed amendment of the law, would not take place under your approved system of a series of fee-simple titles; that is to say, they would take place by means of the conveyance of equities off the register?—Yes.

1159. That is proposed to be left intact both by the register system and your proposed system, is it not?—I do not know; if there is any transfer of the ownership of the legal estate, it must go into the register. In some of those cases that I mentioned there was a transfer of the legal estate.

1160. Such as mortgages?—And dealings with undivided shares occasionally.

1161. So much for the general principle. Now I want just to ask about one or two points which you

Mr. *Haldane*—continued.

you put? -With regard to the general principle, may I make one remark, that will cover all the details to some extent. In 1887, a suggestion was put forward by the Law Society to the effect that, instead of the Government offering an absolute title, they should merely profess to give a guaranteed title, guaranteeing the purchaser on the principle of insurance, so that if the Government was wrong, the right owner should retain his land and not be in any way prejudiced by the entry in the book or whatever may have been done, and the purchaser should look, as a matter of course, to the Government for indemnity, if they allow him to be entered as owner or do something which they had no justification for doing as against the real owner. We think that if a guaranteed title were substituted for an absolute title as against the real owner, it would relieve the officials from the necessity of a great many inquiries. In the case of boundaries for instance, if the purchaser had got a pecuniary guarantee that his boundaries were right, he would be content with his guarantee. In a great many cases they would be right. Now and again he might come upon them for 5*l.* or 50*l.* to rectify him.

1162. It seems to me, your suggestion, as far as boundaries are concerned, is very valuable, because generally, I will not say invariably, it is merely a question of a little more or a little less, and it is quite a proper case for compensation; it is very often the subject of compensation, and that suggestion might, I think, be a very valuable addition to the Bill?—We should apply it to the whole machinery.

Chairman.

1163. Might I ask a question with a view to making clear what you mean by that; do you mean that the State, in addition to guaranteeing that the absolute title was a right title, might guarantee that the boundaries are exactly those which appear upon the plan?—I propose that the State should guarantee the purchaser against loss in consequence of any mistake made on the register, either in the description or the title, or secret incumbrance, or anything else.

1164. So far as absolute titles are concerned, so far as title goes, that is proposed by this Bill, is it not?—Yes, but the main distinction is that what we would include under the term of "guaranteed title," as distinguished from "absolute title," would be that the purchaser should invariably be the person to receive money compensation, and that the person who was dispossessed by any transaction taking place through the register should not be affected at all; he should be reinstated.

1165. That is putting in another form what Mr. Wolstenholme indicated in his evidence when he said that the true owner ought always to have the land, and the deluded purchaser ought always to have the compensation?—That the true owner ought not to be affected by anything done by anybody but himself; and that the man who bought, and received a certificate from the State, would be quite sure he had either got his land or a pecuniary indemnity; it is rather an alternative system to this, although it runs side by side.

Mr. *Haldane.*

1166. I thought you said, whether or not the principle of compensation was adopted as to leaving the true owner in possession of the land, you thought (and it seemed to me a valuable suggestion) it ought to be adopted so far as the boundaries were concerned?—I think it would be an advantage to adopt it so far as boundaries are concerned.

Chairman.

1167. May I ask a question about boundaries, to get it clear; do you mean that the State should guarantee that the boundaries as appearing upon the plan should be the true boundaries?—That the boundaries appearing on the certificate should be correct; it was rather suggested there should be a verbal description as well as the plan, but what I suggested was that the State should guarantee the purchaser that the boundaries as shown on the documents they give him are correct, and if they are incorrect, the State will give him pecuniary indemnity.

1168. You do not think that is now included in the Bill; I had rather thought it was?—I did not think it was.

Mr. *Bolton.*

1169. Your recent observations relate more particularly to the point that the proper course was not to maintain the absolute integrity of the register in this particular, but while rectifying the register, the State ought to keep the true owner on it, and compensate the man removed from the register because of fraud?—Yes.

Mr. *Haldane.*

1170. Whether that is done or not, I understand you to say that the case of boundaries is peculiarly a case where compensation would be the true remedy?—Yes; in other cases it is a question between the original owner and the registered owner. In the case of boundaries it is a question between a neighbour and the registered owner, where the neighbour has never had anything to do with it.

1171. In that case you think the registered owner might be compensated by money?—Yes.

1172. Might that principle of compensation as regards boundaries be applied also to succession duty and incumbrances of that kind, antecedent to the 40 years' title; I say of that kind, because quit rents and succession duty are things that might be overlooked; might they not be cleared off in the same way?—The difficulties with respect to those things would not stop at the first registration, particularly with regard to succession duty. A claim may arise by a death of which no notice would of necessity appear upon the register. I may be trustee for another man and my name is on the register, and the man for whom I am trustee dies; a claim for succession duty arises, but no notice necessarily appears on the register. The State can guarantee against loss in those cases; they are merely a pecuniary burden.

1173. And therefore, by a little adaptation of the compensation clauses, that class of objection to registration could be got rid of?—Yes. I do not know about sporting and fishing rights.

Mr. *Haldane*—continued.

1174. There is power to register easements under the Act of 1875, is there not?—Yes, there is.

1175. With regard to sporting and fishing rights, at all events, we should be no worse off than we are under the present law?—There would be less to put the purchaser on inquiry if he merely looked at the entry in a book than if he had a bundle of old documents before him.

1176. It might be so, but still he has got no sense of great security or safety at the present time, because these kind of easements do not, as a rule, appear on the title?—Very frequently not, but fishing and sporting rights do, very often. A pecuniary guarantee would not be a satisfactory indemnity in respect of fishing and sporting; people would fight for their rights in cases like that.

Chairman.

1177. Surely it is very unusual for a man to have an estate, and somebody else to have the legal rights to all shooting on it; have you ever met with a case of that kind?—I had a litigation in North Wales, where there were lands that had been enclosed, and the rights of sporting were reserved to the Lord of the Manor; and I spent over 1,000*l.* a little while ago in fighting an action about a few salmon in the Wye.

Mr. *Haldane.*

1178. As regards the case of the transfer of a public-house which you put, you suggested there would be difficulty in effecting the transfer of a public-house under this system?—Yes.

1179. You know the system which is adopted in drawing a marriage settlement; the husband's estate is conveyed to trustees; it is held in trust for the husband until marriage, and then on marriage it passes; is not that exactly analogous to the case you put?—No, because the beneficiaries under the settlement do not wish to borrow five-sixths of the value of the property five minutes after the document is signed.

1180. Surely you would take your public-house; you would transfer it on the register before the moment of sale, keeping the equitable interest in the vendor until the moment of sale, and the equitable interest would pass to the purchaser at the moment the physical transfer was effected?—The people who deal in that class of cases are rather a difficult lot to deal with; that is to say, they do not trust one another very much.

1181. Do not you think that your ingenuity and experience would enable you to get over that difficulty?—I do not know; I am not prepared to say it would make an absolute block to business, but I think it would be a very material inconvenience.

Colonel *Long.*

1182. During the first portion of your conversation with Mr. Haldane, I think it was entirely with absolute titles that you were dealing?—Yes, the first part was.

1183. As a rule, I believe, absolute titles are not compelled to be registered?—It is not proposed to make it compulsory to register an absolute title under this system.

Colonel *Long*—continued.

1184. From your experience probably they will not be largely registered?—I do not expect they will be at all.

1185. If the great bulk of the entries on the register be possessory titles, then all we heard about this system being cheaper would not come into play, because you would still have to inquire into title; you would not take the entry on the register of the possessory title; you would have to inquire just the same as you do now?—You must inquire for a period of from 40 years back down to the date of registration, as now.

1186. Therefore putting it upon the register would be an entirely extra expense to a man buying at the present time?—For the next 20 years it would be so.

1187. After 20 or 30 years the possessory titles would practically become absolute, would they not?—A period of 40 years would make them absolute.

1188. Do you not think that when that time came, and the whole titles became absolute, it would almost repay the public for the expense incurred in the 40 years?—The then generation, who would not have paid, will no doubt appreciate the advantage earned for them by their predecessors, who had paid.

1189. The present generation, you think, will not benefit very much?—I do not think the present generation, in dealing with land for the next 10 or 15 years, would get much advantage. I put 40 years as the maximum.

1190. On the other hand, except for the extra payment, it will not complicate the matter?—It requires the intervention of an official person in every transaction, which is not now required. Two people can meet and settle their own affairs now by their own agents. If you have the register to go to, it involves another person. He may or may not take the place of the agents now employed, but I do not think he would, myself; that is to say, I do not think it is at all likely, for the next generation, that people will think of transacting their own business of this description. The registry office does not contemplate it, because they have prepared an *ad valorem* scale of remuneration to solicitors for transfers for value on sales, and charges on registered land. They anticipate that people will have to be employed in future as in the past.

1191. You suggest that, as to boundaries, the State should guarantee the boundaries?—Pecuniary compensation for the risk is what I mean.

1192. If you were a registrar, would you not inquire very carefully what the boundaries were when the land was registered?—It is very desirable he should do so.

1193. But would that add very largely to the expense, or would it be only what you do now?—It is a pecuniary guarantee, and you can measure the relative risks of giving a guarantee on slight information, or requiring perfect information. Under the old system of 1862, where the boundaries were absolutely guaranteed as against adjoining owners, the cost was very great, no doubt, and the result was very unsatisfactory.

Colonel *Long*—continued.

factory. I have, myself, been served with notices that people were registering property adjoining me, and I have had to go as adjoining owner, not having had occasion to have anything to do with the register, to look after my rights.

1194. If you were a registrar, you would be responsible that no compensation was paid unless absolutely necessary, and therefore you would not be slack; I forget the other expression that you used?—I said he should be neither captious nor slack.

1195. Would not you say that the registrar in the case of boundaries, if he were guaranteeing those boundaries, would feel bound to be very careful indeed?—Certainly; I should expect him to give some notice to the adjoining owner of what was proposed.

Chairman.

1196. It would simplify it immensely if there was any question of boundaries of a serious kind; if you went to the next owner and said to him, "Do you claim this land or not?" and he would say, "I do not." Then you would say, "Would you mind writing me a note to that effect?" and if he was a sensible man he would say "Yes"?—Quite so.

Colonel *Long.*

1197. It all increases the expense, however?—Yes.

Mr. *Tomlinson.*

1198. What is your idea of the mode of protecting equitable interests after registration; it was suggested by Mr. Wolstenholme that the equitable owner would be protected by a caution, or inhibition, or notice not to deal with the estate?—There must either be a caution or an inhibition; there is a great difference of opinion whether a caution is a sufficient protection. A caution, assuming it to be equivalent to the present distringas on the Bank of England, is a notice, the effect of which is got rid of by the registered owner, who wishes to deal with his property, serving a notice through the post or otherwise on the cautioner. There is a very considerable amount of discussion as to whether it is safe to trust to that, and whether that is a sufficient protection to the equitable owner, or whether it is necessary to procure his active concurrence in the removal of the restraint, whatever it may be.

1199. Then there seems to be something like a dilemma; if a caution of too limited kind is used the property might be conveyed away without the concurrence of the equitable owner?—At the Bank of England to-day, if you put a distringas on stock standing in my name, and I apply to deal with it, the Bank would give you notice that unless you apply to the Bank to stop the transfer within a certain number of days after, they will allow the stock to be transferred; but if you have left your address, or gone on a holiday to the other end of the world, and left nobody to look after your affairs, you may find, when you come back, that the property has gone. That is a case of a caution; an inhibition, as I understand, is an absolute prohibition against property being dealt with without the active consent; that is to say, not only must there be no opposition, but there must be the active concurrence of the person who put the inhibition on.

Mr. *Tomlinson*—continued.

1200. Then, if the distringas system is adopted, the equitable owner, in order to preserve his rights, might have to incur costs?—He must, in order to get a real restraint, no doubt.

1201. The equitable owner might have to incur costs by going to the court?—It may be provided for by the rules, of course. I think an inhibition is a complete restraint, but still it involves cost.

1202. Is not the effect of the inhibition to bring the equitable title substantially upon the register?—Not necessarily, I think.

Mr. *Greene.*

1203. So far as you know, is there anyone in the profession with any practical experience of conveyancing who has ever recommended that the system of 1875 should be made compulsory?—I never heard anyone recommending it.

1204. Has the Law Society obtained information from provincial societies as to the feeling of the country solicitors?—Yes; the provincial societies are more strongly against it than we are in London.

1205. The solicitors belonging to those provincial societies probably do more conveyancing?—They do much more small conveyancing, more numerous transactions.

1206. The Lord Chancellor has been good enough to put in this paper which I hold in my hand, which I presume is what was supplied to him by the Law Society?—That is a reprint of some information that we supplied to the Lord Chancellor in 1893.

1207. May I ask this question: Does that represent the true state of opinion of the country solicitors up to date?—I think so. It is dated 1893; but I am quite sure they are quite as strongly against it now.

1208. You have heard of no alteration in their opinion, though there has been discussion all over the country?—Certainly not.

1209. We may take it that their opinion is adverse to this alteration in the law?—That is their opinion unquestionably.

1210. Is the objection to this measure on the part of those concerned with practical conveyancing to the compulsory clause, that is the compulsory registration of possessory title?—We think it a very objectionable thing. It is not only the registration of possessory title, it is the substitution of a system of transferring land by an entry in a book kept by officials instead of by documents prepared by the parties themselves or their advisers.

1211. Is it the register that is objected to, or the compulsion?—The compulsion.

1212. Is there any distinction to be drawn between compulsory registration of title to very small properties and large properties, or is the objection to compulsion whatever may be the value of the property?—I think the objection relates to both large and small properties. It would be very difficult to compel people to register one class of property and not another, because what is a large property to day may be a hundred small properties to-morrow.

Mr. *Greene*—continued.

1213. Lord Cairns made some suggestion about limiting the compulsion to cases where the value of the land exceeded 300*l.*; do you agree that that is possible or not?—I think it would be very difficult. You might, for instance, find a man appearing as the registered owner of property, and he might have sold 50 bits of it worth 300*l.* a piece, and there might not be much of the original land left; and the compulsion *ex concessis* not applying to land under 300*l.*, there would be nothing to show that those sales had taken place.

1214. You do not think it can be worked?—I do not think you can put in such limits.

Chairman.

1215. Lord Cairns meant that supposing you have a large property of 1,000 acres, we will say, upon the register, and you sell part of it off for 150*l.*, there must still be registration of that?—But it seems to me there would be very considerable difficulty if a man having got a large property cuts it up into 100 small portions under the limit, whatever it may be, to which compulsion applies; there would be on the register no trace of the fact that three-fourths of the property had gone. I do not think that is a feasible scheme.

Mr. *Greene.*

1216. You think there would be no opening for this Committee to recommend compulsion on property of one value, and not on property of another, or on one class of property, and not on another?—It would not commend itself to my judgment at all.

1217. Will you assume for the moment the case of a small property of the value, say, of 150*l.*, a cottage registered with a possessory title; on a sale the purchaser would pay the expense of investigation of title, would he not?—Yes.

1218. Having acquired it, it would be for him to pay the expense also of his solicitor to put it upon the register?—Yes.

1219. Then there would be the registrar's fees, the office fees?—Yes.

1220. So that there would be two sets of costs or fees, viz., the costs of the solicitor putting it on the register, and the cost of the office fees, in addition to the investigation of title as at present?—Unless the purchaser himself chooses to do his own work of putting it on to the register, somebody would have to be paid for doing it; and there would be the office fee.

1221. Take the ordinary case of an agricultural labourer's cottage of the value of 150*l.*, and supposing it was 12 miles away from town, where there would be a registrar, he or his solicitor would have to go with the proper evidence to register it in the register?—Somebody would have to go and satisfy the registrar, and file the proper documents with the registrar, showing that he claimed a possessory title. All that would have to be properly attested and proved.

1222. Could you tell me what the Law Society's scale would be on property of the value of 150*l.*?—Five pounds for each solicitor.

Chairman.

1223. That is 5*l.* for one solicitor, you mean?—The purchaser's and the vendor's solicitor, assuming there were two, would be paid equally, and get the same fee.

Mr. *Bolton.*

1224. If the same solicitor acts for both parties it is one fee and a half, is it not; there is an abatement, at all events, is there not?—I think so, but he very seldom gets one fee and a half, I expect, in those small cases.

Mr. *Greene.*

1225. Would you say 3*l.* or 4*l.*?—Five pounds is the authorised scale fee on properties between 100*l.* and 300*l.*

1226. The purchaser will have to pay a solicitor to go to the town, or go himself?—Yes.

1227. Do you know at all what the charge is (I think there is a charge) that the solicitor is entitled to make to his client for putting the property on the register?—For property under 200*l.* it is two guineas.

1228. He would have to pay two guineas in addition to the office fees?—Yes.

1229. What would be the scale for entry on the register, supposing there is no additional charge made in the case of a provincial registry, or in London?—The fee for the entry of first proprietorship of land under 200*l.* is 15*s.*

Chairman.

1230. Is that with absolute or possessory title?—Possessory title.

Mr. *Greene.*

1231. In addition to that there is also the cost of the map, if you look on page 3 of the "Land Registry General Instruction"?—Yes.

1232. That also has to be incurred, and then there are the stamps?—Yes, the stamps would be the same, but off the registry plans are not used for cottage property, or very rarely.

1233. On the register you must have one?—Yes.

1234. So that in addition to the 15*s.* there would be the cost for the plans. You said two guineas would be the solicitor's charge, but that would not include out-of-pocket expenses for travelling to the town where the registry was?—No, our ordinary scale off the registry excludes out-of-pocket payments.

1235. In substitution for the 5*l.* you have the two guineas, the 15*s.*, the cost of the map, and also the railway and travelling expenses of the solicitor to the town where he has to effect the registration for his client?—Yes.

1236. Having put this little cottage on to the register for the next 30 years, to take the figure you mentioned; may I ask you by the way why you fix 30 years?—Forty years is the outside limit within which a purchaser can now ask to have a title, and I took 10 years off as an average title.

1237. Supposing there is an outstanding settlement?—Forty years is the outside limit that a purchaser can ask for now, unless there is something to show that the title is encumbered beyond that.

1238. As

Mr. *Greene*—continued.

1238. As regards succession duty, over what period have you still to search for succession duty?—I am not quite sure what limitation Mr. Gregory got for us; but the old Act made it for all time. There was no limit of time at all under the Act of 1853, but there are some clauses which are always called the Gregory clauses at Somerset House which limited the time.

1239. Am I right in saying that it is somewhere about 60 years?—It is less than that. Until Mr. Gregory got the Act it was from 1853 down to eternity; under his clauses, I think it is 12 years, but I am not quite sure. I think, if no claim is made within 12 years after the death the purchaser is protected; the trustees, of course, are not protected, but the Government cannot come down upon property in the hands of the purchaser.

1240. That investigation for payment of succession duty would have to be made whether the possessory title was registered or not?—Yes, unless the law is changed.

1241. This Bill makes no suggestion for an alteration of that?—None whatever.

1242. So that the agricultural labourer with his 150*l.* cottage would still have to search (or the purchaser from him) for succession duty?—He would have to inquire into that.

1243. Registration of title would afford him no security that it had been paid?—None at all; and it would rather stand in the way of getting at the facts.

1244. Why?—If you have a series of documents, there is on them something to show the events that have happened, whereas in the register you merely open one page and you do not turn back; you are not to see the back title, as I understand; you only open the last page showing that A. B. is the registered owner.

1245. Your remedy would be to make him make a statutory declaration on the point?—Yes, that no death had occurred making succession duty payable.

1246. If he died there would be nobody to punish?—No, nor anybody to get the money back from if he took the money with him.

1247. Do you see any public ground for enforcing compulsory registration of possessory title?—No, I think the public interest is all against it. If people want it they can get it; there it is, and it has been there for 20 years; there is nothing to prevent anybody from putting a title on to the register if they like to do so. I believe, if they had been allowed under the Act of 1875 to take it off when it has once been on, they would have tried the experiment. I have no doubt myself that it is that that blocked it.

Mr. *Warmington.*

1248. Within your experience, is it a matter of not infrequent occurrence that title is made to land under the Statute of Limitations?—Very seldom, only in cases of encroachments or squatters.

1249. Do you know the practice adopted by the office in the registration of a possessory title?—I have only registered one myself.

1250. Is it absolutely necessary before you can get a certificate on the registration of possessory title, that the applicant should himself be, or should state that he is in actual possession of the land?—By himself or his tenant.

Mr. *Warmington*—continued.

1251. Is that ascertained except by the statement of the applicant himself?—I think not.

1252. Assuming that not to be true, and another person to have been in possession, say for 10 years, do you understand the result of the Act of Parliament is that the man who has been in possession 10 years will not be able to complete his title under the Statute of Limitations by the addition of two years, making up the twelve years?—Yes.

1253. He will be stopped by the registration?—I think so.

1254. The man who is actually registered after he has got his certificate need not himself either go into the actual occupation of the property or be in possession of the property by his tenant at all?—No, not if his statement is an untrue one or inaccurate; I will not say untrue.

1255. Now if he likes to go away with his certificate he can stop away for 50 years and not go near his property, or receive a penny for rent, and yet no one can make a title against him; is not that so?—Not by adverse possession.

Chairman.

1256. You mean under the Act of 1875?—Yes, if you have not a complete adverse title before registration the time after registration will not count.

Mr. *Warmington.*

1257. A man who has got a possessory title certificate after he has got the certificate need not go on to the property, and no one can get a title against him by adverse possession?—Quite so.

1258. With regard to boundaries question; the question of boundaries is nothing really more than a question of parcel or identity of property; that is all, is it not?—That is all.

1259. When you talk of the question of boundaries the question really is whether a man has got a particular piece of land; is not that all?—Yes, that is all.

1260. There is no difference between the title to the boundaries and the title to land generally?—No; given you have got a piece of land the shape of this table, it may be very important whether it juts out here or there, not only to the owner himself but to the adjoining owner; having acquired and got his property registered you might very possibly find there were encroachments or alterations in the configuration of it, which would materially interfere with the enjoyment of it.

1261. Is it, or is it not, in all purchases a custom to identify the parcels by local inspection?—It is; so far as regards sale by auction, for instance, we have to make very careful investigation to make quite sure we are right before we put the thing up for sale.

Mr. *Tomlinson.*

1262. Supposing you had a sufficient kind of notice far superior to a distringas such as would be

Mr. *Tomlinson*—continued.

be an effectual protection and stop any dealing with the land without the active concurrence of the cautioner, would that bring the equitable title on to the register?—No, because when the registered owner wanted to deal with the property, if he was dealing with it honestly with the consent of the person beneficially interested, he would give him notice; he would write a letter and tell him he was going to sell, and ask him to withdraw his caution, because he is going to sell to C. D., or do whatever was desired, and assuming the two trust each other the equitable owner would withdraw his inhibition, and then all trace of the transaction would have disappeared so far as the purchaser is concerned.

1263. Supposing it is a case of fraud?—On the other hand, if the registered owner was going to deal with it against the wish of the cautioner, or fraudulently, the stop would be there on the register, and the purchaser would say, "I cannot complete this purchase until you remove the inhibition," and if the matter was fraudulent the vendor would be unable to get the inhibition off. There would be no equitable title on the register; it would be a statement that the property is not to be sold without notice to, or the consent of A. B., and it could not be transferred to the purchaser until that stop was removed. It is just like a distringas at the Bank of England. There are two descriptions of distringas; one which can be got rid of by notice, and the other which cannot be got rid of without the active concurrence of the distrainor, if that is the right term.

1264. In every case of property subject to equitable interests in case of sale, the equitable interest would have to be dealt with somehow, would it not?—Not as between vendor and purchaser; as between the persons beneficially interested, no doubt the money would be substituted for the land, and that would have to be distributed.

1265. In most cases there would be additional expense apart from the expense of dealing with the register?—I think there must be dealings outside the register, more or less.

1266. With regard to the question of what the working of the register would be in the case of a building estate; supposing a large estate is on the register, and it is required to sell a portion of it either absolutely or reserving a ground rent, what would the process be, assuming registration with an absolute title?—In the case of registration with an absolute title there would be a transfer, or a letting, to the person who is acquiring the small plot, and there are always a series of stipulations on a building estate which would have to be recorded in some separate instrument, I think.

1267. You think notice of covenants on the register would not be sufficient?—I think they still do what they used to do, viz., make an entry in the register that the property is subject to the instrument which will be found in the instrument book; they keep a copy of the instrument. This (*producing a document*) is an instrument which I had in a matter of this sort recently. It was intended to cover each of the plots sold by that particular deed. If the property were dealt with on the register, such a document as that would have to be signed of necessity with regard to the boundaries and the form of the buildings and fences in addition to the transaction on the register.

Mr. *Tomlinson*—continued.

1268. If you had one system of covenants and the same covenants for every plot, one entry on the register would be sufficient, would it not?—No, I think there is no interchangeable system there. I think each plot must have reference to a particular instrument.

1269. In that case you would require, would you not, in every case to have in addition to the certificate some deed showing what the real contract was?—Undoubtedly.

1270. Would you say that the original owner would be able to have the benefit of those covenants in the same manner as he has now; would they run with the land?—No doubt our ingenuity will enable us to make them run with the land, but to make them do so there must be some entry on the register to warn the purchaser; and that must be repeated every time.

1271. So that this deed is necessary apart from what appears in the register, and you have the fees for the register as well?—That deed would have to be entered or an entry in respect of it made every time the property is subsequently dealt with, because you cannot turn back to the past history.

1272. Are you of opinion that there would be any economy in working a building estate on the register?—I think it would be quite the other way; people in the case of a building estate do not look at title.

Mr. *John Ellis.*

1273. Do I understand that the figures you gave us with regard to the loss at the Bank of England from forgery were derived from some return, Parliamentary or official?—Yes.

1274. Can you give us the reference to it?—I took the information from a paper published by the Bar Committee 10 years ago. It is a return furnished by the Bank of England in 1832 to the Committee of Secrecy on the Bank of England Charter (Appendix 63); it showed an annual loss during the 10 years from 1822 to 1831 inclusive from forgery of more than 40,000*l.*

1275. A few questions as to your representative capacity; you are President of the Incorporated Law Society?—Yes.

1276. What area does your society cover?—We call ourselves the Incorporated Law Society of the United Kingdom, but I believe we do not get beyond England and Wales.

1277. You cover England and Wales, do you?—Yes.

1278. What is the number of members?—Seven thousand five hundred and thirty, or something of that sort.

1279. Are they all solicitors?—Yes.

1280. What proportion does that represent of the whole body of solicitors?—About half; and about half our members are in the country, and half in London.

1281. You come before us to speak the view of this great profession?—Yes.

1282. You are their representative here?—Yes.

1283. Has

Mr. *John Ellis*—continued.

1283. Has your council taken any steps to elicit the opinion of your profession?—Yes, we have been doing so ever since the proposal to make the system compulsory began; in fact we are continually in communication with the profession on all these things.

1284. Not only as regards this particular Bill, but its precursors?—No doubt, and on this particular Bill we had several meetings in London of the associated provincial societies. I may explain that there is a separate law society in every large town such as Birmingham, Manchester, and Liverpool, and 50 or 60 towns throughout the country. They are associated together, having a common secretary and officers through whom they communicate, and when we want to get at the opinion of the profession outside London, we communicate through the associated law societies with the whole of the provincial law societies.

1285. I am putting these questions, you will understand, for the benefit of the lay mind?—We have had two or three conferences this year on this Bill; we were very much pressed before we began to confer to take steps in the House of Lords while the Bill was there; but we waited to see the Bill come down to the House of Commons before moving in the matter at all.

1286. Did your council send out any circulars with respect to this Bill to these affiliated societies?—I think the circulars only went to the extent of inviting them to come and consider what steps should be taken in the matter.

1287. As a result of that you held a representative gathering?—Yes.

1288. And your evidence is the fruit of that?—Certainly, so far as it relates to their opposition to this scheme of compelling people to adopt this new system.

1289. Has your council authorised the issue of any pamphlet on the subject of this Bill, and previous Bills?—Yes, we have every year. This is the pamphlet we issued on the Bill of 1895 (*producing a pamphlet*).

1290. Those have been circulated throughout the country?—They have been circulated amongst the members of our society, and the provincial law societies. This is the last one that has been issued.

1291. We may take it that you speak the mind of the solicitors' profession in this matter, and that the whole of your evidence is representative?—Certainly, so far as concerns the principle; as to the details I would not like to pledge myself.

1292. As regards amendments, you are speaking rather more in an individual capacity?—I am expressing a personal view to a certain extent.

1293. With regard to the scheme which you suggested, that is rather an individual and personal matter?—Yes, I can only put that as a personal matter. I advocated it first in 1885, when there was some discussion, and when I was president last year at Bristol I referred to it, and I was asked then to work it out, and a draft report was drawn, in which I set out my views, and it has got no further than that; it has been talked over, but not adopted.

1294. Has your society, or your council, or any of the affiliated societies, suggested that communications should be addressed to Members of Parliament with regard to this matter?—Yes, in former years we have; I do not think we have this year.

1295. Do the communications which some of us received from outside our own constituencies (I have received none from my own constituency) emanate as a suggestion primarily from the profession?—I think anything that has come from the London society has been in the shape of a printed communication, which has been sent, more or less, to the Members of the Legislature of both Houses, not this year, but two or three previous years. I do not know whether any communication has been suggested this year, except that we were in communication with the country law societies, and we asked them to impress upon their Members the point we were pressing for until just lately, viz., the necessity for an inquiry before the Bill was passed; to that extent we have certainly requested our provincial societies to press their Members, but I do not think we have done it beyond that.

Chairman.

1296. You referred to a paper published by the Bar Committee; have you got the resolutions they came to?—What I was referring to was the paper that was published by the Bar Committee nine years ago; that is it (*handing it in*).

1297. Turning to the resolutions of the Bar Committee, I will only read the first of them. "If the Legislature should resolve to enact some scheme for the compulsory registration of titles, the following observations may be offered: (1.) That no scheme ought to be entertained which does not provide adequate compensation for persons injured by the existence of the register." Would those persons include solicitors?—I do not think we ever dreamt of claiming compensation.

1298. Do you finally and entirely discard any claim for compensation?—I do not think we can claim to be put in the same position as the proctors.

1299. Of course we cannot expect you should be bound by anything the Bar Committee said; at all events we understand there is no claim for compensation on your part?—Yes.

1300. You have stated in your evidence that before any change such as this is proposed you think there should be some full and careful inquiry by a body of competent and skilful persons giving evidence upon the subject very fully?—Yes.

1301. Do you know how many inquiries there have been on this subject in the last 50 years?—The first one was in 1830, before the Fines and Recoveries Act.

1302. There were inquiries during the first half of the century, long ago?—There was then a Committee of the House of Lords in 1846, was there not?—I daresay.

1303. Do you know they reported "that the marketable value of real property was seriously diminished by the tedious and expensive process of the transfer of land;" that has been improved since?—Very much so.

Chairman—continued.

1304. They also reported "that a registry of title to all real property was essential to the success of any attempt to simplify the system of conveyancing." Then do you know that in 1850 a Royal Commission examined into the question and reported in favour of the establishment of a general register; it is true that was a register of deeds?—Yes, that was a register of deeds.

1305. Do you know that in 1854 another Royal Commission was issued dealing with this subject?—I know there was one about that date.

1306. They reported in 1857, recommending registration of title?—Did they recommend it compulsorily? I thought it was not compulsion.

1307. I am not speaking on the question of compulsion. I am speaking about the inquiry that there has been into this subject, which you think is not adequate up to now. Then Lord Cranworth introduced a Bill in 1858 to enable the title of purchasers to be established against all the world; that is by registration?—I do not recollect that.

1308. We know that Lord Cairns took a great interest in this subject?—Yes.

1309. And that Lord Westbury also passed an Act in 1862?—Yes.

1310. Do you know that there was also a Royal Commission appointed in 1868?—Yes.

1311. And that they reported in 1870 upon Lord Westbury's Act?—Yes, on the cause of its failure.

1311*. I am dealing with the question of the inquiries that have been held; they made recommendations upon the subject?—Yes.

1312. Then different Bills were introduced in 1873 and 1874, and then the Act of 1875 was passed?—Yes.

1313. After that, in 1878, a Select Committee of the House of Commons was appointed to inquire into the subject, and they reported in 1879?—They reported that it was impossible to compel people to register.

1314. I will not enter upon the question of what they reported; we will see that for ourselves; I am speaking upon the point of sufficiency of inquiry; they inquired very fully for two years into this subject?—Yes.

1315. Mr. Wolstenholme gave evidence, amongst other witnesses, before that Committee, did he not?—Yes.

1316. Then we know all through from 1886, or, at all events, 1887, down to the present time, Bills for the purpose of compulsory registration have been introduced by successive Lord Chancellors?—Yes.

1317. Do you also know that for two years, I think it was, certainly for one year, another Committee of the House of Lords, and a very learned Committee, sat, which investigated this Bill and settled the draft of this Bill?—I do not recollect that.

1318. That was the very Bill that is now before the Committee. You have stated to us, in substance, that Lord Chancellor Halsbury and Lord Chancellor Herschell are not to be regarded as great experts upon conveyancing; apparently, you do not regard so reverentially as some of us would the opinion of the Lord Chancellors upon the matter?—Not on real property points.

1319. Lord Selborne was a Member of the

Chairman—continued.

Committee of the House of Lords which investigated and sat upon this Bill?—I believe he was.

1320. We understand it was unanimously approved by the Committee of the House of Lords?—I was not aware of that.

1321. Lord Selborne, you will admit, is a very high authority?—I would accept him as an authority.

1322. Lord Selborne was one of the greatest authorities upon real property law that has lived in this century, was he not?—Yes.

1323. You will admit, would you not, the authority is tolerably strong and the inquiry tolerably complete?—I do not admit the inquiry is complete. We started with this system in 1875, which in 1895 is desired to be made compulsory. The Committee in 1879, as I understand, did not recommend that it should be made compulsory, and since that there have been these Committees on the Bills in the House of Lords, but we have frequently applied to the Lord Chancellor, both Lord Halsbury and Lord Herschell, to give a public inquiry with power for us to give evidence upon the point, and we have never been able to get it till now.

1324. I will not dwell upon the Report of 1879; we may have to deal with it hereafter, but the point I am putting is that this matter has been before the public for half-a-century prominently?—Possibly.

1325. And the greatest legal authorities in the country have pronounced their opinion upon it?—Probably.

1326. Do you not think it is now about ripe for decision; do you not think that after half-a-century of inquiry we may now settle it one way or the other, whether it is to be tried compulsorily, or would you like to have a further inquiry after this is concluded?—I do not know.

1327. There is one point you made about the transfer of public-houses; you, I know, have had great experience upon that point; is not this what takes place in the transfer of a public-house: public-houses, as a rule (not always), are held upon leases?—Nearly always in or about London.

1328. The lease is mortgaged in the first place to the brewers, and, secondly, mortgaged to the distillers?—Yes, and then there may be a third and a fourth mortgage.

1329. When a change takes place all the parties meet and the thing is almost common form, is it not?—It is a transaction they can carry through round the table.

1330. It is so thoroughly well known it is a matter of common form?—Everybody knows about it.

1331. They all meet round the table and the thing is executed, the business is settled, and the money paid over?—Yes.

1332. Do you think it would be a difficult thing to walk across to the registry office and register the transfer of that leasehold property?—The difficulty I suggested was the question whether the lenders would be prepared to put their money down as an advance to the incoming tenant at the time when, under this Act of Parliament, he would have no title. He gets no title until after the entry is made in the book.

1333. What would be necessary would be that

some

Chairman—continued.

some trustworthy person should walk across and make the entry in the register, or have it made, on the morning, and the money should be held in hand until it was made, and then the money should be parted with?—That is where the shoe pinches.

1334. Would there be any difficulty?—I think we shall have to modify our practice.

1335. Would not the ingenuity you have spoken of enable solicitors to cope with this appalling difficulty of walking across the road to the registry office?—No doubt we shall carry on the business somehow or other.

1336. Do you agree with all Mr. Wolstenholme said in his evidence here?—With most of it.

1337. Would you point out any matter in which you differ from Mr. Wolstenholme?—I thought in his answer to the last series of questions you asked him he went rather further than I should go.

1338. We all agree that Mr. Wolstenholme is a very learned gentleman; he is one of the first conveyancers, and a very great lawyer on conveyancing law?—Yes.

1339. Let us see what it is that he said that you do not agree with?—[*After looking at the Minutes of Evidence.*] I do not think there is anything. I thought, in answer to the questions you were asking him at the close of his evidence, with regard to going to the Bank of England and transferring land in the same way as you could transfer stock, he went rather further than I should go; but I have explained my views of the difficulty on that point.

1340. It is upon that alone you think you would be disposed to differ from him; you think he went a little too far?—I thought he went a little further than I should.

1341. What are the points of distinction on that matter; I mean as between the registration of shares in a railway company, which I think was the instance which he gave as a preferable comparison, and the registration of land. I will not go over the whole ground with you, because I do not want to repeat what has been said, but there is in the first place this difference, is there not; that there are boundaries in the one case, and no boundaries in the other?—That is one difference.

1342. Of course, that is as we know generally a point of a few yards at the margin of the property?—Generally.

1343. Those are very insignificant points in comparison with the main property?—Frequently they are very insignificant; sometimes they are important.

1344. Apart from that, is not this true: that the difficulties of boundaries apply in the present method of conveyancing just the same as they would apply in the case of a registered title if you had abuttals added to the plan on the register?—Yes.

1345. Therefore, no additional harm can be done by having a register, if that alteration was made?—I do not think that it would.

1346. That is perfectly clear; it is incidental to nature that you cannot always have a line drawn unless you choose to make it with stones on the ground?—It is quite as easy to describe the property in the book as in the deeds.

Chairman—continued.

1347. In the next place, you said the owners' obligations in the nature of covenants might exist outside the register?—Yes, with regard to the liability of the landlord to his occupier; that is the point I put.

1348. You mean, I presume, that there might be tenancies existing?—There is sure to be a tenancy nine times out of 10, and recent legislation has given the tenant rights, not only against his landlord, but against the purchaser from his landlord, to claim compensation at the expiration of his tenancy for certain things the tenant has done, and the landlord has not done.

1349. I think I apprehend your point, and it is this, is it not: that most land when entered on the register would be in the occupation of a tenant; and supposing it was a market gardener, by recent legislation, or under the Agricultural Holdings Act, there would be a claim for compensation against the owner of the land, whoever he might be?—Yes, it was the Agricultural Holdings Act I had in my mind.

1350. Do you think that is a circumstance that really would militate against the transfer of an estate?—I say that will remain an inquiry which must be made, and which, therefore, creates a difference between land and consols.

1351. That exists now?—Yes.

1352. And must exist always, as long as the Statutes remain as they are?—Yes.

1353. There would be no additional trouble in that respect by reason of registration?—No.

1354. Now, coming to the next case, that of easements; you say there is a "current of litigation" constantly with regard to easements which is not the case with regard to consols or railway stock, which is perfectly true?—Yes.

1355. Do you think that a system of cautions will not be a sufficient guarantee against that?—I do not think the Bill provides for easements.

1356. Yes, I think it does; with all deference. If you look at Section 18 of the Act of 1875 (if I am not mistaken in my recollection) you will find there provision made for the registration of all rights of fishing, sporting, and so forth, manorial rights, and also rights of common, rights of sheep walk, rights of way and rights of water, and also, by the way, succession duty; all those things may be entered upon the register?—And the land is subject to them, whether they are entered or not.

1357. They may be entered upon the register?—They may be entered.

1358. Those are in the nature of cautions, are they not?—Presumably, in some way or other.

1359. That is, if the registrar thinks fit; you might desire that they should always be inserted, but that is a detail; I am speaking of the principle, not the particular Act of 1875; that is the case in regard to consols or to railway stock; you can have a distringas, as you say?—Yes.

1360. Does not a distringas amount, practically, to a caution not to deal with the stock without notice to the person putting on the distringas?—The effect of a distringas is that the bank who make the transfer are prohibited from making the transfer until the distringas is got rid of.

1361. That is in the nature of a caution, is it not?—Yes.

Chairman—continued.

1362. This entry of easements would be in the nature of a caution, would it not?—I should hardly so describe it myself.

1363. It would approximate to the nature of a caution?—The caution, in my view, applies to the other class of hindrance altogether; the existence of an antagonistic claim in the nature of an equity in a person other than the man in whose name it stands.

1364. In the same way there might be antagonistic claims in the nature of equities in consols?—Yes.

1365. At all events, you may give notice in the one case and you may give notice in the other, and really for all substantial purposes there is a great resemblance between the two in that particular, is there not?—I do not quite agree.

1366. Then you say you have also got to inquire whether the conditions of the lease have been violated in the case of a register of leaseholds; that always has to be done, has it not?—Yes.

1367. Therefore, that would be no increased burden?—No.

1368. In addition, is there not a very simple way of getting rid of that difficulty. Supposing you were to ask for the last receipt for the rent, would not that be practically a protection?—We always put it into the conditions of sale that that shall be sufficient.

1369. If a person who wanted to buy registered leasehold property was only to get the last receipt for rent he would be as safe, would he not, under a register system as your present conveyancing system makes him?—Yes.

1370. In addition, he might get a letter from the lessor saying there had been no breaches?—Yes.

1371. So that upon that point there is really not very great difficulty; we can measure what would be the amount of difficulty and expense?—Yes.

1372. That exhausts your statement of difference upon the points as to which you differ from Mr. Wolstenholme?—Yes.

1373. There is one more question I wish to put. We know what possessory titles are; a possessory title, as you have pointed out to an honourable Member, would become practically a perfectly good title in the course of a certain number of years?—Yes.

1374. It might be in the course of 10 or 15 years?—After 12 years it might.

1375. That is a short time in comparison with the time that the world has been taking to consider this subject, and is not the cost an extremely small matter in regard to getting possessory registration; what is the cost of getting possessory registration for property of the value of 1,000*l.*?—The fee to be paid at the office is 3*l.* for the entry of first proprietorship of land not exceeding 1,000*l.*

1376. And for 5,000*l.*?—From 5,000*l.* to 6,000*l.*, the fee is 10*l.*

1377. What is the fee for an estate of 10,000*l.*; what are the next salient figures?—They run 5,000*l.*, 6,000*l.*, 7,000*l.*, 8,000*l.*, and 9,000*l.*, and not exceeding 10,000*l.* the fee is *l.*

1378. What is it for an estate of 20,000*l.*?—

Chairman—continued.

After that, for every additional 1,000*l.*, it is 10*s.* In addition to that, assuming that people employ lawyers, which they have to do now, and which I expect they would have to do then, for registering a title of 10,000*l.* you will have to pay a solicitor 15 guineas. That is practically the same as you pay the registrar.

1379. That is to say, if you employ a solicitor for the registration of a possessory title?—Yes.

1380. What is it when you have registered property worth 100,000*l.*?—£63.

1381. Then you get your possessory title. Now you have spoken about having a guarantee of boundaries?—Yes.

1382. In point of fact, under the existing proposal, coupled with the Act of 1875, there would be a State guarantee of the land whatever it was that was included in the register?—But, as I understand it, with an express statement that the boundaries are not warranted.

1383. Really your proposal amounts to this, does it not: that you ought to add to that guarantee the boundaries themselves?—Yes.

1384. In most cases that would be a simple affair?—My suggestion rather was that it should always be a guaranteed title instead of an absolute or warranted title; and then Mr. Haldane suggested that that would be a way out of the difficulty with the boundaries.

1385. I confess I do not see the distinction between an absolute title and a guaranteed title except in this respect: that in the case of the latter the real owner of the property would always have the land?—That is the substantial difference.

1386. The other man would have the benefit of the guarantee?—That is the substantial difference.

1387. One point was made by an honourable and learned Member as to the case of buying a cottage for 150*l.* and the comparison of cost, and so forth; do you think yourself there would be practically in buying a cottage any expense like that which has been described?—I believe in dealings of 100*l.* or 150*l.* whatever is paid to the registry would, in practice, be in addition to what is paid at the present time.

1388. That is, whatever is paid for putting it on the register the first time?—Not only the first but on future occasions, I believe.

1389. I was taking whatever was paid for the first time?—Yes.

1390. Supposing a man had got a cottage and paid that money for the first time, in the following year he would be able to transfer it upon the register; people do take possessory titles of cottages of 150*l.* now, do they not?—Yes.

1391. You do not have investigation of title with regard to a purchase of 150*l.* Cottages of that sort are not generally put by a labourer into strict settlement with cross remainders, are they?—They are in the habit of doing it with their wills.

1392. In point of practice, do you not treat these as purchases where a certain amount of risk is taken by the buyer, rather than incur the expense of an elaborate investigation of title?—Yes.

1393. When it is once on the register it could be

Chairman—continued.

be transferred for a nominal sum?—The fee paid to the registrar would be a nominal sum.

1394. So that the transfer of the cottage when once upon the register would be done for a nominal cost?—The fee paid to the registrar would be nominal but I believe somebody else would be employed whose charges would be just as great as they are now, or just as small.

1395. Of course if a gentleman dealing with a 150*l.* cottage, or a labourer, chose to employ a solicitor he would have to pay his costs?—He cannot get on without somebody.

1396. What do you say with regard to the experience in Australia?—I do not know anything about it myself; I have read of it, of course.

Chairman—continued.

1397. You have not studied that subject?—No.

1398. As regards the question which my honourable friend, the Member for Monmouthshire, asked you as to obtaining an adverse title under Section 21 of the Act of 1875, I do not propose to go into that; it is a technical matter of law; but if there is a difficulty it could be amended by legislation, could it not?—Yes.

1399. That would not interfere with the principle of registration?—I do not see why the Statute of Limitations should be got rid of at all.

1400. In your opinion, whether registration is right or wrong, it is compatible with an alteration of the law in that respect?—Yes.

Mr. WILLIAM HENRY ATCHLEY, called in; and Examined.

Mr. *Bolton.*

1401. YOU are, I believe, a solicitor practising in the City of Bristol?—I am.

1402. And you have been in practice for nearly 40 years?—Nearly.

1403. For 30 years and upwards you have resided in the Parish of St. George, in Bristol East?—Yes, in that and the adjoining parish all my life.

1404. In the midst of a dense working class population?—Entirely.

1405. And your practice as a solicitor is, I believe, principally amongst the working classes?—It is.

1406. And I suppose you have had as much experience in regard to the conveyancing of small working class properties as it is possible for anybody to have?—I should think so.

1407. The conveyances and mortgages of working class properties in your office are rather numerous, are they not?—Very numerous; we do one pretty nearly every day, according to our books.

Mr. *Bolton*—continued.

1408. And the scale of charges you adopt with regard to these transactions is not altogether regulated by the Solicitors' Remuneration Act Scale?—It is not.

1409. You charge a lower scale, do you not?—Yes, generally, among the working classes; I think all the solicitors do.

1410. And the scale is so low in some very small transactions as to amount almost to shillings instead of guineas?—A nominal sum almost.

1411. Have you taken in rotation a number of cases from your books in the years 1893 and 1894, of the particulars of the sale of working class properties and mortgages thereof?—Yes, I have.

1412. Together with the time taken to do the business and the costs incurred, less the Government duty?—I have.

1413. Would you kindly hand in that list for the information of the Committee?—Yes; they are not picked out; they are taken regularly.

[*The same was handed in, and is as follows*]:—

EVIDENCE of Small Conveyancing Business in Mr. *Atchley's* Office in the Early part of the Year 1894.

Ledger Folio.	Date of Instructions.	Date of Settlement.	Business.	Costs. £. s. d.
			LEDGER, 1894.	
3	10 April –	14 April –	Mortgage for 50*l.* - - -	1 8 9
8	7 Dec. 1893	11 Dec. 1893	Sale of ground rents for 65*l.* -	2 – –
9	26 Feb. 1894	Same day	Paying off mortgage to building society, and preparing mortgage for 150*l.*	3 16 3
12	14 Dec. 1893	18 Dec. 1893	Mortgage for 100*l.* by two instalments, one paid on 18th and the other as arranged on 12th January 1894.	2 – –
20	29 Dec. „	1 Jan. 1894	Conveyance of houses for £. -	—
–	29 Jan. 1894	14 Feb, „	Conveyance - - - -	1 11 6
22	21 Dec. 1893	12 Feb. „	Conveyance, purchase money, £. . Mortgage, 120*l.* Great delay in reference to a deed improperly stamped, and getting same rectified. Not yet paid for.	6 4 3
26	29 Dec. „	3 Jan. „	Mortgage or charge for 30*l.* -	– 15 –
60	4 Feb. 1894	17 Feb. „	Conveyance from father to son. There was an appointment to settle at once, but the parties did not attend. Purchase money, 400*l.*; mortgage, 90*l.*	4 17 6
36	4 Jan. „	20 April „	Conveyance for 115*l.*, to be settled on tenant leaving house vacant; tenant left on 6th April. Not yet paid for.	2 17 6
38	11 May „	24 June „ Settled, 26 June.	Conveyance for 450*l.* - - -	3 10 –

Ledger Folio.	Date of Instructions.	Date of Settlement.	Business.	Costs. £. s. d.
			LEDGER, 1894—*continued.*	
36	8 Jan. 1894	20 Jan. 1894	Mortgage for 450*l.* - - -	5 7 6
39	15 Jan. „	20 Jan. „	Grant and counterpart in fee for four lots	7 7 –
66	18 Jan. „	6 Feb. „	Conveyance (not yet paid for)	3 10 –
81	12 Jan. „	26 Jan. „	Conveyance, 155*l.* purchase money.	3 2 6
84	13 Mar. „	30 Mar. „	Mortgage for 200*l.* Waiting for 14 days' notice to draw money from bank.	2 2 –
102	24 July „	12 Aug. „	Conveyance and mortgage, 60*l.*; purchase money, 60*l.* (not paid for). Plans.	4 10 –
687	7 Sept. „	19 Sept. „	Conveyance, 200*l.*; mortgage, 150*l.*	4 16 3
128	21 Jan. „	1 Feb. „	*Re* conveyance, 150*l.*, mortgage	1 19 –
132	25 Feb. „	9 Mar. „	Conveyance, 160*l.*; mortgage, 70*l.*	5 – –
–	30 Jan. „	6 Mar. „	Conveyance, 685*l.* - - - -	4 9 –
134	28 Feb. „	12 April „	Conveyance (auction), purchase money, 145*l.*	3 10 –
133	3 Oct. „	Same day	Mortgage for 40*l.* - - -	– 19 –
138	26 Jan. „	8 Feb. 1894	Conveyance, 225*l.*; mortgage, 150*l.*	6 13 9
140	7 Feb. „	Same day	Mortgage for 50*l.* - - -	– 19 –
142	20 Jan. „	Ready next day	Under 350*l.*, conveyance - -	3 5 –
–	27 Feb. „	8 Mar. 1894	Charge for 20*l.* - - - -	– 11 6
143	8 Feb. „	14 June „	Abstract on sale; house in course of erection.	2 2 –

Mr. *Bolton*—continued. Mr. *Bolton*—continued.

EVIDENCE of Small Conveyancing Business, &c.—*continued.*

Ledger Folio.	Date of Instructions.	Date of Settlement.	Business.	Costs.
			LEDGER, 1894—*continued.*	£. s. d.
149	4 Jan. 1894	14 Jan. 1894	Mortgage for 100*l.*, by instalments.	2 7 6
150	17 Feb. „	21 Mar. „	Abstract on sale by vendor -	—
151	31 Jan. „	—	Conveyance, 300*l.*; mortgage, 225*l.*; house in course of erection.	6 5 –
152	31 Jan. „	10 Feb. „	Conveyance, 142*l.* 10*s.*; vendor	3 5 –
156	31 Jan. „	10 Mar. „	Conveyance, 645*l.* mortgage, 300*l.*	7 12 6
161	5 Mar. „	—	Conveyance, 350*l.*; mortgage, 300*l.*; then in course of erection, includes other charges.	8 17 –
166	8 Feb. „	12 April „	Conveyance, 212*l.* 10*s.* - -	3 10 –
–	31 Mar. „	30 April „	Sale for 74*l.* - - - - -	2 2 –
168	22 Feb. „	26 Feb. „	Conveyance, 250*l.* - - -	3 10 –
170	6 Feb. „	14 Feb. „	Conveyance, 212*l.* - - -	2 7 6
174	8 Feb. „	31 Mar. „	Conveyance, 100*l.*; mortgage for 100*l.* with other property.	4 7 6
–	28 Mar. „	6 April „	Abstract - - - - - -	1 1 –
–	21 Mar. „	6 April „	Conveyance, 50*l.* - - -	1 10 –
182	8 Feb. „	10 Feb. „	Conveyance, 100*l.* - - -	2 – –
182	29 Mar. „	5 April „	Conveyance, 75*l.* - - -	2 2 6
183	8 Feb. „	31 Mar. „	Sale-property mortgaged, purchase money, 100*l.*	1 10 –
183	16 Feb. „	23 Feb. „	Conveyance, 280*l.* - - -	2 9 –

Ledger Folio.	Date of Instructions.	Date of Settlement.	Business.	Costs.
			LEDGER, 1894—*continued.*	£. s. d.
187	16 Feb. 1894	9 Mar. 1894	Mortgage, 300*l.* - - - -	2 17 6
189	2 Mar. „	20 April „	Conveyance, 118*l.*, under auction sale.	2 15 –
191	9 Feb. „	28 Feb. „	Mortgage, 50*l.* - - - - -	1 – –
193	10 Feb. „	26 Feb. „	Sale, 280*l.* - - - - -	1 1 –
194	10 Feb. „	26 Feb. „	Conveyance, 280*l.* (my son) -	—
198	12 Feb. „	24 Feb. „	Mortgage, 20*l.* - - - -	– 19 –
199	23 Feb. „	13 Mar. „	Mortgage, 30*l.* - - - - -	– 14 –
200	13 Feb. „	5 Mar. „	Conveyance, 190*l.*; mortgage, 180*l.*	5 5 –
208	5 Feb. „	8 Mar. „	Conveyance, mortgage, 250*l.* -	2 10 –
209	12 May „	19 May „	Mortgage, 100*l.* - - - -	1 19 6
213	15 Feb. „	17 Feb. „	Mortgage, 200*l.* (not paid) -	3 10 –
215	12 Mar. „	23 April „	Conveyance, 298*l.*; mortgage, 273*l.*	6 2 6
216	17 Feb. „	6 Mar. „	Conveyance, 85*l.* - - -	2 15 –
217	18 Feb. „	18 Feb. „	Mortgage, 30*l.* - - - -	– 14 –
217	18 Feb. „	23 Feb. „	Mortgage, 20*l.* - - - -	– 12 –
226	26 Feb. „	6 Mar „	Conveyance, 160*l.*; mortgage, 70*l.*	5 – –
227	22 Feb. „	19 Mar. „	Conveyance, 500*l.*; mortgage, 200*l.*	6 – –
238	28 Feb. „	10 April „	Conveyance, 330*l.* (auction sale)	4 5 –
239	8 Mar. „	13 April „	Conveyance, 450*l.*; mortgage, 420*l.*	8 17 6

1414. I observe in this list, for instance, here is a mortgage for 50*l.*, and the costs are 1*l.* 8*s.* 9*d.* I will go through a few of them. A sale of ground rents for 65*l.*, at a cost of 2*l.*; a mortgage for 100*l.* by two instalments, one paid on the 18th December and the other as arranged on the 12th of January 1894, the costs 2*l.*; a conveyance for 1*l.* 11*s.* 6*d.*; a mortgage or charge for 30*l.*, costs 15*s.*; a charge for 20*l.*, costs 11*s.* 6*d.*; an abstract 1*l.* 1*s.*; a conveyance for 100*l.*, 2*l.*; a conveyance for 75*l.*, 2*l.* 2*s.* 6*d.*; a conveyance for 280*l.*, 2*l.* 9*s.*; a mortgage for 50*l.*, 1*l.*; a sale for 280*l.*, 1*l.* 1*s.*; a mortgage for 30*l.*, 14*s.* These are the sort of charges which are made with regard to transactions dealing with properties at those amounts?—They are the sort of charges; mine are rather higher than some other solicitors.

1415. The list that you have handed in, from which I have taken some of the smaller items, contains consecutively the business done by you in small transactions?—Under 500*l.* I have my books here that might be referred to. They are taken consecutively. There is another list for 1893; I do not think you have it there.

1416. Do you hand in a list of transactions in your office in the year 1893?—In part of the year 1893, a consecutive list.

Mr. *John Ellis.*

1417. Taken bodily, I suppose, without selection?—Without selection, taken regularly through the books.

[*The same was handed in, and is as follows*]:—

1893.

Ledger Folio.	Name.	Date of Instructions.	Date of Settlement.	Business.	Public or Private Sale.	Costs.
						£. s. d.
5	George Smith - -	5 Jan. -	8 May -	Purchase of Mr. Hale for 70*l.* - -	Private -	2 10 –
5	George Smith - -	5 Jan. -	22 Feb. -	Purchase of Bailey Estate for 85*l.* - -	Auction -	2 10 –
6	Jesse Hudd - -	20 Dec. 1892	27 Jan. -	Conveyance from W. Goulter for 232*l.* and mortgage for 300*l.*	Private -	7 10 –
7	George Burdon - -	21 Dec. „	10 Jan. 1893	Purchase of two houses in Meyrick-street, and mortgage for 230*l.*, and sale of houses in Redcross-street.	Private -	8 2 9 *See* Account.
–	George Burdon - -	25 Jan. 1893	31 Jan. -	Conveyance of two houses in Holmes-street, Barton-hill, of Mr. Ball, for 190*l.*; also, a conveyance of two ground-rents payable out of said two houses purchased of Mr. Kelland for 85*l.*, both conveyed by one deed; mortgage for 230*l.*	Private -	3 – – Including stamp.
8	Wm. Rogers - -	22 Dec. 1892	19 Apr. -	Conveyed from Mr. Rogers for purchase money about 130*l.*; vendor died.	—	2 15 –
8	George Fry - -	30 Jan. -	1 Feb. -	Charge for 25*l.* - - - - -	—	– 12 6
9	Isaac Morgan - -	22 Dec. 1892	7 Apr. -	Conveyance of property, purchase of Rogers and mortgage for same.	—	5 2 6
26	Bridge Yate Chapel Trustees.	31 Dec. „	26 Mar. 1893	Deed of appointment of new trustees of chapel.	—	3 – –
34	Thos. Humphries -	2 Jan. -	7 Jan. -	Transfer of mortgage for 205*l.*, including journey to Swindon; conveyance of equity of redemption and other business.	—	9 – –
43	J. S. Hill - -	1 Feb. -	14 Feb. -	Mortgage for 160*l.* and transfer of mortgage.	—	3 10 –
55	G. A. Gerrish - -	4 Jan. 1893	4 Feb. -	Abstract on sale - - - - -	—	1 1 –
72	W. J. Hudd - -	22 Feb. -	27 Mar. -	Conveyance, 180*l.* - - - -	—	3 – –
73	Geo. Cunningham -	4 Jan. -	29 Mar. -	Conveyance, 264*l.*; mortgage, 272*l.* -	—	6 5 –

Mr. *John Ellis*—continued. Mr. *John Ellis*—continued.

1893—*continued.*

Ledger Folio.	Name.	Date of Instructions.	Date of Settlement.	Business.	Public or Private Sale.	Costs. £. s. d.
74	W. G. Webber	6 Jan. 1893	21 Jan.	Mortgage, 120*l.*	—	1 10 —
75	Matilda Palmer	6 Jan.	—	Conveyance, 240*l.*; Journey to Wellington; mortgage, 466*l.*; Cathay property.	—	15 15 —
—	—	26 Jan.	25 Mar.	Conveyance, 105*l.*; mortgage, 100*l.*	—	
77	Joseph Stone	7 Jan.	10 April	Conveyance, 135*l.*, and other business	—	4 — —
79	W. W. Webb	14 April	24 April	Conveyance, 200*l.*	—	3 — —
92	Geo. Dennis	10 Jan.	20 Jan.	Transfer of mortgage, 210*l.*, and further advance of 30*l.*	—	2 7 —
92	G. A. Gerrish	13 Mar. 1893	17 Mar.	Abstract on sale, 47*l.* 10*s.*	—	1 1 —
93	George Peacock	11 Jan.	13 Aug.	Conveyance, 400*l.*; mortgage, 350*l.*; father to son, houses in course of erection and abstract of title	—	7 10 —
100	M. Priscott	18 Jan.	15 Feb.	Conveyance auction sale, 140*l.*; mortgage, 100*l.*	—	2 10 —
—	—	4 Feb.	9 Feb.	Abstract on sale to Mr. Date, 180*l.*	—	1 10 —
111	Noah Short	24 July	23 Aug.	Conveyance, 225*l.*; mortgage, 190*l.*	—	5 12 6
115	Benjamin Gay	12 Mar.	15 Mar.	Conveyance, 25*l.*	—	1 7 6
121	George Sheppard	2 Mar.	2 Mar.	Mortgage, 50*l.*	—	1 3 9
125	Thomas Lee	21 Jan.	8 Mar.	Conveyance, 360*l.*; mortgage, 360*l.*	—	7 10 —
125	Thomas Lee	27 July	11 Aug.	Conveyance, 355*l.*; mortgage, 355*l.*	—	7 10 —
142	Samuel Fry	16 Jan.	14 April	Conveyance, 179*l.*; mortgage, 114*l.*	—	7 8 —
149	M. E. Hyatt	16 Jan.	31 Jan.	Abstract on sale to Mr. Weller	—	1 15 —
150	Isaac Bracey; Evan Bracey.	16 Jan.	2 May	Grants in fee-farm, duplicate	—	6 — —
151	Edwin Kaine	— Feb.	16 Feb.	Conveyance under 280*l.*; mortgage, 150*l.*	—	6 6 3
154	George Bull	16 Jan.	25 Feb.	Conveyance and mortgage, 163*l.*	—	5 2 —
158	William Owen	18 Jan.	11 Feb.	Conveyance, 360*l.*; mortgage, 300*l.*	—	9 — —

Mr. *Bolton.*

1418. Is that list taken consecutively and without selection from your books?—Yes.

1418*. I see some of the transactions here are equally small in amount as to the costs charged?—Just the same.

1419. And you believe that if anything the costs shown on those statements are rather above the costs charged by other solicitors in the city?—They are so as to some solicitors.

1420. When a vendor and purchaser agree in Bristol to a sale and purchase, do they invariably themselves fix the time for completion?—They do.

1421. Therefore, if there is any delay at all, is it because it is not convenient for them to complete the transaction at an earlier date than they fix?—They fix their own time.

1422. In fact, under the present system, from the way that you transact your business you could complete the transaction almost immediately upon their giving instructions for it, could you not?—Provided that we knew the title. I should not like to deal with a title without investigating it.

1423. But, generally speaking, you know the titles in Bristol?—I do; I have had a long experience there.

1424. And that is so with the other solicitors of Bristol?—With the older practitioners, but perhaps not with the younger ones.

1425. They generally know the title, and they do not investigate the title?—Many parts of Bristol, especially Bristol East, originally sprang from one title, what is called the Barton Regis Estate.

1426. And these transactions are done under the present system with great facility, are they not?—They are.

1427. Bankers in Bristol in lending money on deposit of deeds make those loans without the least difficulty under the present system, do they not?—They do; a large amount of deeds are deposited with bankers.

Mr. *Bolton*—continued.

1428. And the system of holding land and transferring land by deeds is a system that works very well down in Bristol?—Very well indeed.

1429. And the people down at Bristol are rather pleased to have evidences of their rights to property, I mean the possession of deeds, are they not?—The working-class people are very fond of having their deeds at home.

1430. And you think that they would prefer to have deeds at the small expense which you have described rather than to have a certificate from a registrar?—The working-class people are very proud of having their deeds and holding them themselves.

1431. Do you think that they would have any preference for having their title kept by a public official, and having a sort of certificate from him?—I am quite sure that if they only had a certificate, they would very much object to it.

1432. Do you think that there would be any possible improvement on the present system by the setting up of this proposed register?—I think that at the present scale of charges for working class properties, it must lead to additional expense to vendors and purchasers, to purchasers especially.

1433. Do you think that the transaction could be done as quickly as under the present system?—I do not think so. As a rule it is often done the same day, or three or four days afterwards.

1434. Have you ever had any complaint of delay or expense on the part of any people dealing in these small properties in Bristol?—Of course I have had complaints of delay where the delay has been from causes over which we have had no control; but since the last Statute of Limitations, titles have been wonderfuly simplified.

Mr. *Bolton*—continued.

plified. We do not go back the same as we used to do.

1435. And as to expense, have these people grumbled at the small charges that they have had to pay, in dealing with their properties?—Certainly not.

1436. And they are reasonably satisfied, you think, with the present system in Bristol?—They are.

1437. And you do not think that there would be any improvement in connection with small transactions in property by the setting-up of a Government office to manage land transfer in the way proposed by this Bill?—I do not; I think that is the general opinion of the solicitors of Bristol.

1438. Have you had any opportunity of forming any opinion as to what the public think of this proposal to set up a system of land transfer on a register and hand the business over to the Government?—There has been no public meeting upon it.

1439. But if there had been any dissatisfaction with the present system, of course, you, as a solicitor having a very large practice in small transactions, would know of it?—I should know of it.

1440. Therefore, you are very much opposed, and, I suppose, you represent the feeling of the solicitors and people who deal in property in Bristol, to the establishment of a Government office to do this work?—We think it cannot be done so well as it is done at present.

1441. Nor so inexpensively?—Nor so inexpensively.

1442. You see no necessity for this Bill at all?—Not the slightest.

1443. And you think there are many disadvantages in it?—Many disadvantages; I have had a large experience in building transactions, and I think the effect of it may possibly be to stop building altogether.

1444. You mean that it is very likely to embarrass the freedom with which people deal with land on a building estate?—I think it may almost stop it; I cannot see how we can get on with it at all; because no owner of land will convey the legal estate in his land until a house is erected, and no solicitor or other person will advance money to a builder on an estate on which he gets no security.

1445. The custom in Bristol I believe is to make an advance in these building estates upon an agreement for a grant at a fee-farm rent, is it not?—Yes.

1446. And upon that agreement the builder, or the person for whom the house is to be erected, proceeds to get the house up?—Yes, and to get an advance on the agreement.

1447. He borrows, frequently on the agreement?—Yes, either from a solicitor, a friend, or a banker.

1448. And when the house is completed then application is made to the freeholder for the grant, is it not?—Yes.

1449. And then the land with the house on it is granted by the freeholder to the person who has built the house?—It is.

1450. Do not you think that a transaction of that kind is very much better arranged by the people themselves in a solicitor's office at Bristol rather than before a public official, a registrar in a registration office at Bristol or in London?—I do most decidedly.

1451. Do not you think that this proposed system of introducing a Government official to record these transactions very objectionable?—I cannot see how we could get on with it, because no builder would get an advance on an equitable contract only.

1452. That is to say, that on an agreement which has no effect in law until it is put on a register, it being merely an equitable instrument, a builder would have a practical difficulty in borrowing money to carry on his building operations?—I say so.

1453. At present the agreement comes direct from the freeholder, and entitles the holder to a grant from the freeholder?—It does.

1454. And you see difficulties of working it cut through the instrumentality of the register?—I do, very strong difficulties indeed.

1455. And you think it would very seriously embarrass building operations on building estates, where working-class properties are being erected in Bristol?—I do; if we serve notice on the grantor or the freeholder that the agreement is deposited for an advance, then of course he would be responsible if he granted it to the builder, without giving notice to the party who had lent money upon it.

1456. And you believe that in these transactions in small property, grants of land for the purpose of erecting small houses, it will be almost impossible to work it satisfactorily by means of a register?—It would.

Mr. *Warmington.*

1457. I suppose we may take it, so far as you speak on behalf of the public, that you have not asked the ordinary public their opinion about this measure?—I have not.

1458. Nor your clients?—I have spoken to a great many of my clients about it from time to time in years gone by, but not recently.

1459. May I take it that in the majority of cases mentioned in the tables, which are to be considered as part of your evidence, there has been no investigation of a title hitherto unknown to yourself?—Undoubtedly we investigate every title.

1460. But hitherto unknown, I mean; you have known most of the titles?—If I knew the title beforehand, which of course I do as to a great many titles in Bristol, I should not re-investigate it.

1461. Then, I suppose, as to bankers advancing money on the deposit of deeds, it depends upon the character and position of the gentleman who brings them?—I think not; I have had a large experience, and I think not.

1462. If you bring the deeds on behalf of a client, the banker will trust you?—The banker would lend the money.

1463. He would trust you?—No, he would not trust me as responsible for the money.

1464. He would not trust you with the money, but

Mr. *Warmington*—continued.

but he would trust you that the deeds were in order?—Yes, he would

1465. It is not the custom of bankers to make an independent investigation on their own account?—I think one banker in Bristol does; but, as a rule, I do not think they would investigate the title so long as they had the certificate of a respectable solicitor.

1466. I wish you would explain about these building owners; as I suppose the owner of a property agrees with the builder, that when, and so soon as he has placed a certain number of houses upon a piece of land he will grant him a lease?—Grant him a fee farm grant.

1467. That is to say, a conveyance having a fee-farm rent reserved?—That is so.

1468. And it rests in agreement until the fee-farm grant is made new?—Undoubtedly.

1469. Why should it not rest in agreement, supposing that the owner was on the register, I mean the freeholder; where would the difficulty come in; why should it not rest in agreement then just as it does now?—Because the party who lent money on the agreement would have no practical security for it.

1470. Because?—Because the freeholder may go and do just what he pleases with it; he being on the register, he might die and his heir-at-law might sell the property with all the houses on it, and we should have no remedy whatever.

1471. Your notion is that the man who is upon the register, entering upon a contract to convey, will not be bound in the Act to specific performance of that contract?—I do not say he is not, for a moment.

1472. If he is I do not see the difficulty?—If the freeholder makes a building estate of his land.

1473. That is to say, if he enters into an agreement with the builder or into numerous agreements with a large number of builders?—I say, those agreements at present are a good valuable available security for the advance of money to the builder for the house he is erecting.

1474. Because he can enforce specific performance?—Because he can enforce specific performance; but the owner being on the register, he could sell that property; at present, the solicitor holds the deeds, which effectually prevents the owner dealing with them; whereas being on the register he could go behind the back of the builder and solicitor and sell the whole of it, and where should we be?

1475. That assumes fraud on the part of the owner?—Yes, it would be a fraudulent transaction.

1476. That is a very uncommon transaction, is it not?—I think it is always best to be on the safe side.

1477. But as matters stand, it very seldom occurs; you have had considerable experience; how often have you known it to occur?—Such a transaction as that, never, because the solicitor holds the deeds, and it cannot be done.

1478. I will substitute the word "attempt" for "occur"; have you ever known it attempted?—I could scarcely call to mind now any transaction; it is impossible to do it so long as the solicitor holds the deeds.

Mr. *Warmington*—continued.

1479. Can it possibly be attempted?—I do not think it could be attempted; how can you sell property unless you have the deeds to effect a sale of it.

1480. You think it depends upon the deeds being in the possession of the solicitor?—Yes, he holds them as a guarantee that everything will be settled as between grantor and grantee.

1481. You say that in Bristol it is the invariable custom for the solicitor to hold the deeds of the owner?—I should say so, most decidedly; I do not think that any solicitor would undertake to prepare agreements without he held the deeds as between the parties; I would not.

Mr. *Tomlinson.*

1482. Those charges that you have handed in, as I understand, are the purchasers' charges?—Some are vendors'.

1483. But in no case are they both sides; they are only one side?—They are in no case both sides, they are all separate.

1484. Do you act for any of the vendors in Bristol?—I do in some cases.

1485. Upon what scale would your charges be in acting for vendors; upon the same scale as those you have handed in?—In these transactions, not under the Solicitors' Remuneration Act. The vendors' charges are set out just the same.

1486. On the same list as the small purchasers' charges?—Yes, very often a guinea for an abstract, nothing more.

Mr. *Warmington.*

1487. The charges that you put down are less than the scale charges?—Yes.

Mr. *Tomlinson.*

1488. And some of those are cases where you are acting for the vendor, and some are cases where you are acting for the purchaser?—They are; they are all taken in rotation from the books.

1489. In your experience, I understand, you believe that there would be no saving in cost in carrying out these transactions on the register?—I am more or less certain that there cannot be, but rather an increase.

1490. Of course you are well acquainted with the habits of the purchasers of these small lots?—Yes, I have lived amongst them.

1491. Are they given to making wills, dealing with small properties?—They are; I make a great number of wills. If a working man acquires a house, I do not think he sells it very often, if he requires a house to live in.

1492. Have you many cases in which either a working man or anyone else would buy a plot of land for several houses, and sub-sell?—I know a great many men who do do so, and I act for them; but I do not know that I could say that working men do it; sometimes they may, but not as a rule.

1493. Do the building societies work much in Bristol?—Not now; they used to; they are rather under a cloud.

1494. Do you know of any building societies

Mr. *Tomlinson*—continued.

desiring that a system of compulsory registration should be adopted?—I do not.

1495. Are there cases within your knowledge in Bristol in which owners of property have registered under the Act of 1875?—Is that what is called Lord Westbury's Act?

Chairman.

1496. No, that is the Act of 1862; Lord Cairns' Act is 1875?—I once tried to register under Lord Westbury's Act, and I sent an abstract to a conveyancing counsel for examination, but I had a bill sent to me for 24*l.* odd shillings for examination; and my client paid the money, withdrew the abstract, and did not go further.

Mr. *Tomlinson.*

1497. Then, so far as you know, the Act of 1875 is a dead letter?—It is a dead letter so far as Bristol is concerned.

1498. Does that arise from ignorance of its provisions, do you think?—I could not tell you; I should think that possibly they preferred the present system, and not that Act of Parliament, not to register under it. I have not looked at it recently for some years, and therefore I could not charge my memory.

1499. I understand then, that the general system at Bristol is selling on the fee-farm rents?—On new properties, yes, it is.

1500. And the system of long leaseholds does not exist there?—It does not.

1501. Nor contracts to purchase out-and-out?—Oh, yes.

1502. I mean in small building properties, there are not many people who buy paying the purchase money down?—Sometimes the vendors sell the ground free from annual ground rent, in a great many cases.

1503. But the purchasers of land and houses do not often buy, paying money down, on a contract to pay the purchase money?—In a large number of instances they do so.

1504. But, in those cases the difficulty you spoke of before with regard to requiring the cottage to be built before the land is conveyed, would not operate, would it?—Yes, it would operate just the same, because if a man has a building estate and lets it out for building purposes, and a builder builds a house, and when the conveyance is prepared, if there is no ground rent, if the land is purchased as well, the freeholder conveys the land and the builder joins in conveying the land and the house along with it. The one receives the price of the land and the other the price of the house on the same date.

1505. In that case the builder would have an equitable charge for that?—He would have on the agreement; he would have an equitable security.

1506. When you spoke of the security against fraud being the possession of the deeds, you were speaking of the deeds relating to the property being in the possession of the vendor's solicitor?—With the grantor's solicitor, who acts between the grantor and the grantee invariably in all cases.

1507. And you have not any experience in Bristol of vendors keeping possession of their own deeds?—No solicitor, I think, would let a building estate without he had possession of the deeds.

Mr. *Lambert.*

1508. You say that the working classes are very proud to have a big bundle of deeds?—I do say so; the bigger the bundle the more pleased they are as a rule.

1509. I suppose the solicitors could not manage to increase the bundle?—How do you mean?

1510. I mean to increase the size of it, and make them more proud?—We can only prepare one deed for a transaction, and they are very short indeed now.

1511. But they could, I suppose, with a little trouble be made larger, just to please your clients?—We are not in the habit of doing those things.

1512. Why are they proud of their deeds?—It is a fact that a working man, if he is able to show his deeds, is very proud of them.

1513. But for what reason?—The reason is, that he has got it free from mortgage, I suppose; he has got his deeds at home, and he is anxious to show them to his neighbours.

1514. To show, I presume, that he is the possessor of the property?—Yes.

Chairman.

1515. Is it the pride of possession?—Yes.

Mr. *Lambert.*

1516. I thought you rather hinted that the working classes would object to certificates from the registrar to show that they had possession?—I think they would. If I were to hand the little slip of paper to one of my clients (and I have got a great many amongst the working classes), and to say, "There is your certificate of title," he would say "What! give me that thing? That aint' no good at all!" That is what I should be met with.

1517. But one would think that a reasonable man would prefer simplicity?—They want something to show for their money in addition to the property itself.

1518. They want all the deeds?—Yes.

Mr. *Ellis.*

1519. They prefer parchment to paper, I suppose?—Yes, they like plenty to show.

Mr. *Lambert.*

1520. I believe you said that the charges round Bristol now were fairly reasonable?—I think they are very reasonable. I think if the Bill were passed it would increase them.

1521. And you have never heard of any grumbling against the present charges?—Well, I do not think I can say that I have not heard of any grumbling. But you know people always grumble with lawyers.

1522. But you have not happened to hear it?—Yes, I have heard grumbling before to-day. I think if you did the work for nothing and gave them a good dinner into the bargain, many people would grumble all the same.

1523. They

Mr. Lambert—continued.

1523. They seem to be a very dissatisfied lot of people at Bristol; but yet they seem to be satisfied with this state of things?—I think so, most decidedly.

Mr. *Wickham.*

1524. Have any building societies, to your knowledge, taken advantage of the great benefits offered by the Land Transfer Act of 1875?—No, they have not, or I must have known of it.

1525. How do you account for that neglect of their own interests?—That is a question they must answer for themselves; I could not. Perhaps they might think it was not to their interest.

1526. May I assume, from your having so tried to register under Lord Westbury's Act, that you are not hostile to the scheme of registration in itself, purely in itself, as you thought it worth a trial?—I think the general body of solicitors, at any rate in Bristol, would welcome any change which would simplify conveyancing; but I think, with regard to registering, they are decidedly opposed to it; they think that it would cramp them in many matters in conveyancing; and with regard to this Bill, they are opposed to it. I know our Incorporated Law Society are opposed to it.

1527. Are you opposed to the principle of its being for ever; that is to say, that you cannot get land off the register?—I think I should be opposed to compulsory registration.

1528. That is another point. It is not only proposed to make it compulsory, but that you cannot get the land off the register afterwards?—I should be most decidedly opposed to that. I recollect that one gentleman, having a large estate near Bristol, put his title on the register under Lord Westbury's Act. I saw yesterday a solicitor who bought a great deal under that same title, and he told me that he had the greatest trouble, that he incurred more expense than under the present system of conveyancing; and I understood from him that it was all taken off the register. That was registered some 30 years ago. I knew the gentleman who registered the title, and it cost him over 1,000*l.* to do it.

1529. Then you are clearly of opinion that the charges that you make upon small transactions cost, on the whole of the purchase, less than if they went to a register office?—Yes, I and other solicitors; not myself only.

1530. And you think that you do it more expeditiously than the office, so far as you can judge, would be likely to do it?—I do. The list I have put in gives you the exact dates taken from the books.

Mr. *Seale-Hayne.*

1531. Who advanced these small sums in this list that you have handed in?—Sometimes myself, sometimes different clients. If a man came in and wanted the money the same day he had it from myself.

1532. Take the first entry here, "Mortgage for 50*l.*"; the costs are put down at 1*l.* 8*s.* 9*d.*; were you the lender on that occasion, or was it a client?—I lent it myself; at least I have every reason to believe so; I am speaking as nearly as I possibly can.

1533. Then we will take the third entry, "Paying off mortgage to building society and preparing mortgage for 150*l.*" Do you remember who found the money for that transaction?—I do not think I did; I do not think it is on my list of securities.

1534. Was there in that first transaction any procuration fee paid in addition to these costs put down?—There was not.

1535. Or in the third?—There was no procuration fee paid in any transaction on the list.

1536. But in this case where a client appears to have found the money, was any commission paid to anybody else besides yourself?—Nobody.

1537. Are you sure about that?—Quite positive; I have given you the whole amount of expense in every case.

1538. The whole amount of expense that perhaps passed through your office. I want to know whether the parties who advanced the money, other than yourself, received any commission?—They did not.

1539. That you are prepared to assert?—Yes, positively.

1540. Did these costs include stamps?—They did not.

1541. So that the stamps in each case are in addition to these costs?—Yes, they are; they are taken out less the stamps to Government.

1542. Then the costs really are in excess of what is put down here?—The costs are in excess of what is put down to the amount of the stamp duty exactly, and nothing more.

1543. You told us just now that there would be a difficulty in cases where the solicitor had to hold the deed pending arrangements between the two parties to some financial arrangement. You told us that the registration would render it impossible for the solicitor to hold that deed; you said so just now, did you not?—I do not think if the property was registered we should hold the certificate of registration as a security.

1544. But at present you are able to hold the deed, you say?—Yes, we are.

1545. In the event of registration becoming law, could you not, equally well, hold the certificate?—What good would it be to us, if a man made an affidavit or a declaration that he had lost the certificate and wanted another?

1546. Could you not hold the certificate with equal facility to your present holding of the deed?—I should not think the holding of the certificate a security at all.

1547. In what way is the certificate inferior to the deed?—Because I apprehend that a man having a registered title might destroy the certificate if he was inclined to commit a fraud.

1548. But I am supposing that you are going to hold the certificate, and it is in your possession; in what respect is the certificate inferior to a deed?—Would he not be able, if he made a declaration that he had lost the certificate, to obtain another, and deal with the property as the registered owner? That is the question.

1549. He could do the same thing, I presume, if he lost the deed?—No.

Mr. *Seale-Hayne*—continued.

1550. Certainly he could go to somebody else and say that he had lost the deed, and offer a possessory title for so many years, with equal facility as he could with the certificate?—How could he under a building estate?

1551. I am not talking of a building estate; I am talking of a man who has a deed of conveyance, and that deed of conveyance you hold now as between solicitor and client pending some pecuniary arrangement; you say that you can hold that deed, but you would not hold the certificate; my question is, in what way is a certificate inferior to a deed?—I confine my observations entirely to the question of the building estate; I say that if a man has a building estate to let, the solicitor holds the deeds as between grantor and grantee, or as between the owner and the builder who builds upon it.

Mr. *Bolton.*

1552. It is the custom at Bristol, is it not, when a man lays out an estate for building, to take his deeds to the solicitor who is to manage the estate, to leave those deeds with him, and then for that solicitor to make out agreements for grants; the deeds remain with the solicitor, and he makes the grants afterwards as the houses are built?—That is so; as a pledge that it is a straightforward transaction.

1553. And people dealing with a respectable solicitor to an estate, who is holding the deeds, deal with the land and build their houses in confidence?—They do; and if I did it otherwise, I should expect to have to pay, if a misfortune occurred.

Mr. *Seale-Hayne.*

1554. That 551 is all perfectly plain; but what I want to have made clear to my mind is: in what way is the certificate inferior to the deed, and that I should like to have explained?—That I have explained already.

Mr. *Bolton.*

1555. In the case of the deeds the difference is this, is it not, that when they are deposited with the solicitor there is no registration whatever?—None.

1556. The deeds are, therefore, the sole evidence of the right to deal with the property?—Evidence of title.

1557. And a person attempting to deal with the land without the deeds would have the greatest possible difficulty in inducing any persons to have any transactions with him in regard to that land?—He could not do it, practically.

1558. Now with regard to the certificate of title; a person holding a certificate of title and holding his land on the register would have no deeds?—He would not.

1559. He would have only a certificate of title?—That is all.

1560. That certificate of title is not essential, is it, under the law of 1875, to deal with the land?—It might be essential, unless he made a declaration that he had lost it, or that it was destroyed.

1561. He has only to give some explanation to satisfy the registrar to enable him to get another

Mr. *Bolton*—continued.

certificate or to deal with the land?—Or to deal with the property.

1562. And, therefore, the possession of the certificate would not have the same authority as the possession of the title deeds?—It could by no possibility have it.

1563. Then if a solicitor had to deal with a building estate at Bristol, and his client, the owner of the estate, brought him a certificate of possessory title on the register, the solicitor would not feel that he had the same control over the estate, and, therefore, would not feel justified in dealing with grantees in the same way that he would if he had the deeds, because his client might go afterwards and explain to the satisfaction of the registrar the absence of the certificate, and get a fresh certificate?—That is so, or he might die and his heir-at-law might do the same, whoever came into it.

1564. And in that way fraudulent dealing with the property, defrauding the persons who, on the faith of the solicitor's respectability, had dealt with the land would be possible?—It would.

Chairman.

1565. I want to ask you one or two questions. You speak, as I understand, on behalf of the solicitors of Bristol?—I do.

1566. You are authorised to speak on behalf of the solicitors of Bristol, and of your law society, and to state your opinion?—Yes.

1567. In the sense in which you have stated it?—Yes.

1568. Is it the case that they have always been opposed to registration?—I could not tell you that.

1569. Have you known any change come over their opinion?—So far as I know I should say they have been opposed, at all events they were opposed to this Bill.

1570. But as you come here on their behalf, do you say that they are opposed to the principle of registration of title?—I do say so.

1571. And they always have been, so far as you know?—"Always" is relative; it goes back a very long time.

1572. But during your experience of the subject they have been opposed to registration of title?—I should say, as long as I can recollect they have been opposed to registration; I should think so.

1573. That being the case, you add that there has been no registration of title, no use made of the Act of 1875, in Bristol?—Not that I know of; I know of no case.

1574. I ask you fairly: do you think it is likely that there would be any registration of title in Bristol when the whole body of solicitors are in principle opposed to registration of title; do you not think they exercise a strong influence upon clients?—I do not think there would be any registration of title, unless they thought it was for the benefit of their clients.

1575. I am not impugning their good faith, but what I mean is: this subject of registration of title is a very intricate and difficult subject even for skilled lawyers to understand, you agree?—I quite agree with that.

1576. Therefore,

Chairman—continued.

1576. Therefore, it is practically incomprehensible to the lay mind?—It is so.

1577. Under those circumstances, I suppose clients would act upon the advice of their solicitors, respectable and honourable gentlemen?—Yes.

1578. Is that not sufficient, to your mind, to explain why the Act of 1875 has never been used in Bristol?—It may have an influence with them.

1579. What you would think a very serious influence?—I have never had any conversation with them on the subject.

1580. Now you put a case which I am not sure that I rightly apprehended. You say that the registration of title, as proposed, would facilitate frauds. Your case, I think, was this: that a man has an estate in fee-simple which he has registered?—That is so.

1581. Then he contracts to sell it, or a portion of it, to somebody else?—No, not to sell it; to grant it in fee-farm on a ground rent.

1582. To grant it in fee-farm to somebody else; that is something very much like a perpetual lease?—A perpetual fee-farm rent.

1583. He agrees to grant it on a perpetual fee-farm grant to a builder?—Yes, or a number of builders.

1584. And he gets so much money from the builder for agreeing to make that grant?—No.

1585. Then what is the injury that is done; would you explain that in your own way?—Supposing a man is entitled to a field upon which he forms a building estate; he puts up his board and advertises it to be let for building, and a number of builders will possibly apply to him if it is a good property, and take under agreement various plots of ground out of that field.

1586. Do you mean buy them, or take them on fee-farm rents?—Take them on fee-farm rents. Then a house is erected on a particular plot of ground. He will not convey that piece of ground to the builder, but he enters into an agreement for the purpose of allowing the builder to take possession; and when the agreement is carried out by the house being erected, then a deed of grant is prepared, reserving a fee-farm rent, and the conveyance of the legal estate is made over to the grantee.

1587. And you assume that in the meantime, between the making of the agreement and the ultimate conveyance to the builder, the owner of the land has sold it to somebody else by transfer on the register without the builder knowing it?—He might do so.

1588. That is your assumption. In a given case we will assume that he has done so?—Yes, because a building estate sometimes lasts many years.

1589. Is that the point?—Yes.

1590. Are you familiar with the Act of 1875?—No, I am not; not at the present time.

1591. Do you know that a caution might be put upon the register which would effectually prevent anything of the kind?—Possibly.

1592. Do you know, also, that under the 58th section of that Act a condition might be made by the person who had made the agreement, before he spent a penny on the land, that no transfer or creation of a charge should be permitted upon the register without the consent of of some person to be named by the proprietor, who in that case would be the builder; do you know that?—No, I do not.

1593. Let us assume that that is so, as I have stated it, by Section 58; and, therefore, any builder whom you might act for would say: "I must require, before I agree to build upon this land, that you should prevent any intermediate dealings by placing a restriction upon the register." Can you doubt that that would most effectually prevent the possibility of any such fraud as you speak of?—It might do so.

1594. But would it not?—I should think that if notice was given to the person who put the caution on the register, it would be an effectual preventive.

1595. But supposing the restriction was required upon the register by the builder, under Section 58, which I have referred to, can you suggest any possibility by which the fraud you speak of could be committed by any human being; because, if so, I should like to know what it is?—I could not suggest it just now.

1596. That being so, you rather condemned the Bill without knowing what the earlier Act upon which it is engrafted is?—I did not look at the Act of 1875.

1597. Do you not think that it would have been fair, before you condemned the Act of 1875, and gave an illustration of a fraud that could be facilitated by that Act, and this amendment, that you should have studied that Act?—Is this present Bill grounded on the 1875 Act?

1598. Did you not know that?—I have not read the 1875 Act for many years.

1599. Have you read this Bill?—Part of it.

1600. Not the whole of it?—I think not.

1601. Now, how much do you think you have read of this Bill which you have come to condemn?—I read it when it first came out, last year I think it was.

1602. Shall you think I am going too far when I say that you would yourself agree that some qualifications should be placed upon the value of your evidence when it appears that you have not read the Bill, or the Act which it purports to amend, before giving evidence?—I read the Act of 1875, but it is many years ago.

1603. Do you, really, under those circumstances, claim to be regarded as an authority upon the effect of this Bill?—I came up here to give evidence with regard to expenses under this Bill, and I have had great experience in building.

1604. You did more: you have given us illustrations of fraud which you say might be perpetrated under the Bill, and which, if I rightly read the section to you, you must now admit cannot be perpetrated?—Not if there was a proper caution on the register.

Mr. *Bolton.*

1605. The main object of your coming here to-day was to give the Committee information as to the way in which small conveyance transactions

Mr. *Bolton*—continued.

were carried out in Bristol, and the small cost of carrying out those small transactions?—That is so.

1606. You did not come here for the purpose of criticising the Bill?—I never came to give evidence on the Bill at all, but to state the excess of business in small matters.

Mr. *Bolton*—continued.

Mr. THOMAS CHARLES MCKENZIE, called in; and Examined.

Mr. *Bolton.*

1607. YOU are a member of the firm of Kidson, McKenzies and Kidson, solicitors, of Sunderland?—Yes.

Chairman.

1608. Your firm is the oldest established firm of solicitors in Sunderland, and one of the oldest in the county of Durham, I believe?—That is so.

1609. You were admitted, I believe, in 1867, and have been in practice in Sunderland continuously since?—Yes.

1610. I believe your firm, or one or other of the members of it, are solicitors to the Board of Guardians, the Sunderland School Board, the River Wear Watch; and that your junior member of it is clerk to the county magistrates of the division?—That is so.

1611. Your firm are also solicitors for a number of building estates in the neighbourhood?—Yes.

1612. About 19?—Yes.

1613. You have given me the names of various building estates in Sunderland, some of them considerable in extent, about 18 or 19 in number?—Yes.

1614. You are solicitors for the owners of those estates?—Yes.

1615. Which have been developed for the last 20 or 30 years, and are, some of them, in the course of development?—Yes, that is so.

1616. And in your practice you have prepared conveyances for a very large number of small houses, largely cottage property, varying in value from 100*l.* upwards?—Yes.

1617. During the last 20 years, how many conveyances do you suppose your firm have prepared, say, on one estate alone; mainly cottage property, of an average value of 160*l.*?—On the Monkwearmouth Shore Estate, about 2,600.

1618. Small conveyances?—Yes; I have the plan of it here.

1619. Is the prevailing practice in Sunderland not to sell the ground out-and-out, but to sell it in consideration of a perpetual annual ground rent secured upon the land and the erections upon it?—Yes.

1620. And these ground rents vary according to the size and situation of the sites?—Yes.

1621. A very usual ground rent for a cottage of the value of 150*l.* to 200*l.* being about 2*l.* 15*s.*?—That is about the average.

1622. Are the conveyances, or ground deeds, as they are called locally, prepared in duplicate?—Yes.

1623. The purchaser obtains the original and the vendor retains the duplicate or counterpart?—Yes.

Chairman—continued.

1624. Now, as to costs. What are the costs of these deeds, including the duplicate and the plans endorsed upon them?—They vary according to the situation of the estate, but from four guineas to six guineas, probably; say an average of five guineas, which includes the duplicate.

1625. Does that include the stamp duty?—Yes.

1626. It is an inclusive charge?—Yes; plan, stamp duty, and everything.

1627. Do the people of Sunderland consider that these are reasonable charges, and are they tolerably well satisfied with them?—I have not heard any complaints about them; they are quite satisfied, so far as my experience goes.

1628. Are these transactions carried out with rapidity?—Usually very rapidly. There are delays, of course, but as a rule they are carried out very rapidly.

1629. Sunderland having a large seafaring population, of course the seafaring people who buy and deal in houses want the transaction carried out promptly sometimes?—Yes, I think always.

1630. And I suppose you have had considerable experience in connection with the preparation of conveyances, other than these ground deeds of small properties?—Yes, we very often have conveyances to prepare.

1631. And the charges are small, are they not, for those transactions?—Yes, they are small; they are pretty much the same class of charge.

1632. Now do you think that transactions of this character could be as expeditiously and as cheaply and as satisfactorily carried out by means of entries of transfers on a register kept by a public official, as in the way they are now arranged and carried out?—I do not think they could be; it would involve going out of our own office to the registry, and in the case of ground deeds, as we call them, it would involve the preparation of a deed containing the covenants and stipulations, building and other conditions, which are now inserted in the ground deeds which we prepare. I have samples of ground deeds here which I could show you.

1633. That is to say, if these deeds formed the subject of an entry on the register you would need to have a supplemental deed explaining the conditions relating to the building estate?—Yes, I think so.

1634. Explaining the conditions on which those ground deeds were made?—Yes.

1635. So that there would be one entry on the register showing the legal creation of the interest of the person building, in fact, his title; and there would be a supplemental deed showing the conditions upon which his title was held?—Yes.

1636. Do

Chairman—continued.

1636. Do you think there could possibly be any saving of expense in the establishment of a register?—I do not think there could. I think it would add to the expense in these particular transactions.

1637. That is to say, in addition to the registry, the registrar's charges for keeping it, and the plans, you would need to have a supplemental deed stating the conditions?—That would be so, I think.

1638. Do you think the people of Sunderland, instead of having their present elastic system of managing their own affairs in their own way, through their own professional man resident at Sunderland, would prefer to have those transactions done by a public official?—From my experience, I do not think they would.

1639. Perhaps a public official in the county town of Durham?—Possibly, although it is a very much smaller town than Sunderland.

1640. You would believe they would much prefer the present system to any system of that kind?—I think they would, from my experience of them; they have not had any experience of registration, of course.

1641. You have no prejudice against registration, if it can be shown to be more advantageous, have you?—Not the least.

1642. You are giving evidence on the broad proposition that the system of registration in which the register is under the control of a government official, and the land is entered on the register and dealt with on the register, would not be so satisfactory and so convenient, or so cheap, in your opinion, as the present system, which you say works satisfactorily?—To the best of my judgment it would not be.

1643. Therefore you are opposed to any such system of compulsory registration of title as is proposed by this Bill?—Certainly.

Mr. *Seale-Hayne.*

1644. I should like to see that deed that you have there, if you please?—I have several samples.

1645. I suppose there is a common form applicable to them all?—No, by no means; it depends upon the situation of the estate, and the conditions. That is one of the duplicate deeds. (*Handing in the same*).

1646. I do not know that it bears upon this question exactly, but who is to enforce these covenants 50 or 100 years hence?—They are attached to the property.

1647. But where is the man 100 years hence who is to enforce them?—I suppose the owner of the legal estate for the time being would enforce them. You will observe that the legal estate is vested in the trustee there, for the purpose of securing the ground-rent.

1648. Are those trustees appointed from time to time in perpetuity?—Yes, from time to time as they die off.

1649. In perpetuity?—Yes.

1650. In your knowledge, how long has an estate been in existence under this system in the hands of trustees?—Might I show you the plan of that estate which is here; it will give you an idea of the time.

Mr. *Seale-Hayne*—continued.

1651. I do not want to see the plan; I only want to know how long any land has been let out (you really must call it letting it out) under these conditions to trustees, holding it as between the extinct landlord on the one side and the occupier on the other?—I should think probably about 30 or 40 years to my knowledge.

1652. Not longer?—It may be longer; I have not been so long in practice, but I should think fully 30 or 40 years.

1653. Then your objection is that on the register, as proposed by the present Bill, you could not enter the covenants and conditions such as you find in these deeds?—We should need to have a subsidiary deed in each case. That is prepared in duplicate. That is the counterpart or duplicate of the deed.

1654. There are no means in the Bill as it stands at present for a registration of the trustees?—There is no reason why the trustees should not be registered as the legal owner.

1655. Would they not be the legal owner; you said just now that they were owners of the legal estate?—Yes, they would be the legal owner.

1656. Then they would be registered?—There is no reason why they should not be.

1657. But they would be the proper persons to be registered, because they would be the owners of the fee?—That would be so.

Mr. *Wayman.*

1658. From your experience in Sunderland, you think that persons who become owners of their property,—cottages worth from 100*l.* to 150*l.*,—are apt to incur an expense under the present system of from 4*l.* to 6*l.* in getting a transfer made to them?—I was referring to cases of original grants of ground deeds, or original grants where there is a duplicate as well as the original deed.

1659. But you said that general satisfaction was felt, so far as your experience goes, with the charges that are made, and with the system in operation?—I cannot say that I have actually heard them express satisfaction.

1660. But if these men have to pay from 4*l.* to 6*l.* for property that is not worth more than 100*l.* to 150*l.*, does not it seem strange that they are satisfied, when under the proposed system they would not incur more than 1*l.* expense?—According to my contention, they would have to pay, not only for the certificate of registration, but, in addition to that, they would have to pay for what is called the ground deed; that is, the conveyance with the conditions attached to it. It would be quite impossible to put all those conditions on to the register.

Mr. *Haldane.*

1661. Let me follow that out. As I understand, from four guineas to six guineas are charged to the purchaser?—Yes.

1662. Taking the case of a property between 100*l.* and 200*l.* in value, the scale of fees under the fee order of the 16th January 1889 under the register system is 15*s.* for not exceeding 200*l.*; an *ad valorem* fee?—Yes.

1663. You say that the registration of the

Mr. *Haldane*—continued.

deed of covenant containing the restrictive conditions is an extra?—It is.

1664. Where you have to register the deed of convenant, I presume as a caution under the Act, you can register it as a deed of restrictive conditions. Under the Act there is a special provision for that. Have you had your attention called to the fee order of the 16th January 1889?—I cannot say that I have.

1665. I will call your attention to it. This shows the necessity of looking at these things closely. There is a special fee for annexing conditions to land of 1*l.*; but that is remitted if required on the occasion of a registration, for which an *ad valorem* fee is payable, which is the case. So that 15*s.* covers the whole cost of registering the title of the possessor?—In addition to which the cost of preparing the deed in duplicate will have to be paid.

1666. I am not at all sure of that. We are talking now of the purchaser's costs. You prepare the conditions on behalf of the vendor; the only cost to the purchaser would be the cost of the duplicate?—No, the practice in my town and district is that the purchaser pays the cost of both the original and counterpart. The vendor is at no cost whatever.

1667. No cost of any sort?—No cost of any sort.

1668. There would be the cost of the vendor's solicitor, for preparing of some sort of schedule of these conditions, would there not?—There is no cost to anyone but the purchaser.

1669. But the only cost there would be in addition to the 15*s.* would be the cost of preparing the schedule of these conditions. It is not a deed, you know; it is more a schedule of conditions to be entered upon the register?—And covenants.

1670. Call them covenants if you like?—I doubt whether you could do it by way of condition; there would have to be a deed of covenant.

1671. Call them what you like; they are called conditions under the Act; you have not had your attention called to the fee order, 16th January 1889?—No.

1672. I will read what it says. The *ad valorem* charge for transfer (there is no conditional title in the case you put) is 15*s.* in the case you put. The fee for annexing conditions to the land is 1*l.*; but according to a note that is remitted, if required, on the occasion of a registration for which an *ad valorem* fee is charged?—Yes.

1673. According to that there is no fee of 1*l.*; there is only a fee of 15*s.*?—That is for registering the conditions.

1674. Then the only cost in addition to the 15*s.*, if that is right, is the fee of the vendor's solicitor for preparing the schedule of conditions which are to be entered upon the register; his instructions to the registrar?—I am not sure about that, because the deeds provide for the reservation of the ground-rent and for certain powers of distress and entry for securing the same, and also conditions as to payment, in some cases, of double ground rent in the event of a breach of any of the conditions of the deeds.

1675. We are going to get rid of deeds if this system passes. What you would do would be to make your transfer upon the register, and give

Mr. *Haldane*—continued

nstructions to the registrar to make conditions, and as I read to you the scale the whole charge, so far as the register is concerned, for the whole thing, is 15*s.* in the case I put. There would be your fee for drawing the conditions, which I should think would not be very large. It is not a deed; it is only instructions to the registrar?—If the effect was the same as the covenants in the deed, and the different reservations, and so on, it might be so.

1676. You did not think of this point when you gave evidence; you had not had your attention called to the fee order?—I doubt very much whether the effect is the same as in our deeds.

1677. You have not looked into the point?—I have not looked into the fee order.

1678. Nor have you considered this point of the working of the Act of 1875, as amended by the Bill?—No; I cannot help thinking it would not meet the case.

1679. But you have not looked into that. One other question or two; you have had great experience (your firm is a very well-known one) of building societies in Sunderland. I believe the history of building societies has not been a very happy one?—Not of recent years.

1680. Have there been any fraudulent titles within your experience?—I do not recollect that there have been.

1681. Did you know about the Toward frauds; Toward was a builder?—No.

1682. I will tell you about them. Toward was an ingenious builder, who forged a number of deeds in duplicate, and succeeded in getting advances from people three or four times, and there was a rush for the legal estate, which resulted in litigation, which went to the House of Lords. That kind of thing might occur under the present practice, and could not occur if there was a register; is not that so?—I do not know; I suppose there might be a fraudulent first registration.

1683. Whether that might be or not, the system of forging deeds in duplicate, taking them to people and saying, "Lend us money upon these," is a system which would be obviated. I am putting to you a Durham case just now, in your own county, which you will find reported in the name of Taylor *v.* Russell, in the House of Lords?—That would be obviated, you say, under a system of registration.

1684. Yes?—Possibly it might; I do not know what the effect would be; the certificate is not necessarily to be produced on dealing with the property, I believe.

1685. No; you go to the registry?—

Mr. *Tomlinson.*

1686. With reference to this question of substituting a schedule for actual deeds, have you referred to the forms issued by the Land Registry Office?—No, I have not seen them.

1687. You are not aware that the declaration, signed by the applicant for possessory title, is: "I" (so-and-so), "solemnly declare that I am in possession of" (*describing the property*) "subject to the encumbrances, exceptions, conditions, &c., stated in the following schedule." Then

Mr. *Tomlinson*—continued.

Then the schedule goes on: "(1) Mortgage, dated" so-and-so; "(2) Yearly quit-rent of" so-and-so; "(3) Lease dated" so-and-so; and "(4) condition"; thereby showing that the schedule is only a schedule of encumbrances created by the document?—Yes.

1688. Would it follow from that that if you register the building covenants or other covenants, a deed would be necessary in addition to the entry upon the register?—I think that in practice it would be found that a deed would be necessary.

1689. So that if you made a sale subject to conditions, in your view a deed would be necessary in addition to any entry upon the register?—I think it would be found to be necessary.

1690. In that case the deed would have to be paid for?—Yes.

1691. Somebody would have to pay the cost of the deed itself?—Yes, the deed and duplicate.

1692. Have you had much practical experience of the existence of building societies?—I have had a little; not any large experience.

1693. Can you say "yes" or "no" to the question of whether building societies favour a system of compulsory registration?—I really never heard of the question being discussed by the building societies' committees; I do not think they have taken the matter into consideration, so far as I know.

1694. Is much interest taken amongst the general public on the subject of registration of land?—Not within my experience, certainly.

1695. Do you think people generally, owners of land, are aware that they can now voluntarily register their titles?—I do not think they are in the case of small properties; they never think of it.

1696. Are larger owners aware of their powers?—The larger owners do not seem to care about registration.

1697. Do you think that is from ignorance of what the law allows them to do, or from their having come to the conclusion that they are opposed to it?—It may be from ignorance of what they could do, but I do not think they give very much consideration to the subject.

1698. But so far as you know, the present system satisfies everybody?—So far as I know, the present system satisfies everybody.

1699. I suppose the course of proceedings in the case of the sale of a plot of building land would be first of all for a contract to be instituted?—Yes; or as we call it, a ground certificate, which embodies the conditions on which the ground site is taken.

1700. Is it your view, supposing that took place on a registered estate, that it would be desirable to give notice of the contract?—You would have to put some notice on the register of the contract.

1701. And there would be a fee for that?—Yes, probably.

Mr. *Greene.*

1702. Is your practice limited to Sunderland, or to large towns, or have you had practice in the small rural towns?—Mostly in Sunderland and the district.

1703. In that county, the county where you reside, are there many small towns or villages each having their own lawyer, and does each solicitor, in your experience, as a rule, deal with the properties in the places round where he lives?—No, I do not think he does.

1704. Do they mostly come into Sunderland?—They mostly employ Sunderland solicitors.

1705. In the case of small county towns there would be considerable expense, would there not, in a solicitor going in from a small place to the central town where the registry is to be established?—He would have his time and railway expenses.

1706. Two guineas is the charge by the scale; but then there would be the expenses over and above that?—Yes, of his journeys.

1707. Can you give us any notion of how many transactions, sales, purchases, and mortgages, there would be in Sunderland in the course of a year?—It is very difficult to estimate that, but I have reckoned up the number that have come through our hands in the last 25 years of these ground deeds, and I think it comes to about 6,000.

1708. That is one office?—Yes.

1709. Is Sunderland blest with more than one solicitor?—I am sorry to say it is; it has from 80 to 100.

1710. Eighty of them?—I should think so, fully.

1711. Would there be work enough for one registry, do you suppose, in Sunderland?—If the whole of these transactions were to be registered, I should think there would be.

1712. Can you say the same of the other big towns; would Durham have to have its own registry also?—I do not know so much about Durham.

Mr. *Ellis.*

1713. Are you here as representing your professional brethren in Sunderland and the district?—I think, to some extent, I am. I was appointed by my local law society to attend rather hurriedly, and I did not come very well prepared.

1714. But you come as the representative of your local law society?—Yes.

Chairman.

1715. I should like to ask you a question or two; I do not quite follow this deed; it requires reading it all over. Is it the case of a sale or a grant for a fee-farm rent of a plot of land in a street by an owner of the fee-simple?—That is so.

1716. And then there is some restrictive covenant attached, as I gather?—There are restrictive covenants regulating the buildings, the user of the plot of land.

1717. But you said, what I did not quite follow, that there were some trustees appointed for the purposes of enforcing those covenants?—You will see by the terms of that deed that the property is granted by the ground owner to one of the members of my firm as a trustee. To the use that he shall receive the ground rent of so much, and then to raise, levy, and pay that

Chairman—continued.

ground rent to the owner of the land, and, subject to that, to the use of the purchaser in fee-simple. That is the form of the deed. The trustee is a trustee to these uses or trusts.

1718. That is simply in order to get at the substance that lies behind it. The machinery for enforcing the restrictive covenants upon a sale of this description, that is the point you made, would require another deed, did I rightly apprehend, in the event of its being registered?—Without giving great consideration to the matter, I should think it would require another deed. You would find in practice that it would require another deed, because of the conditions and trusts. The schedule given in the General Rules of 1st January 1889 comprises, first of all, a mortgage, then a yearly quit-rent; thirdly, a lease; and fourthly, the conditions, and so on.

1719. The "condition," is it not?—Yes.

1720. I want to put to you this—you will be able to tell me—I do not profess to be clear about it: supposing there was a grant for a fee farm rent of land in perpetuity, with a restrictive covenant such as is to be found in building leases, for example, forbidding the owner to sell for a public-house, to put the simplest form; that might appear, might it not, in the deed itself, in the deed of grant?—In the deed to be registered, I suppose you mean?

1721. It might appear in the deed of grant; and then when the man has got it, anybody wishing to get it might go to the register and register his title under that deed, and the condition might be placed on the register?—Might be attached to it.

1722. Yes?—Possibly it might be so.

1723. I do not perceive the absolute necessity of a second deed in a case of that kind. Supposing that you had a property, perhaps subject to a restrictive covenant, that is enforceable only in equity?—That is a subsequent transaction.

1724. No, I will take the original transaction now. Supposing that you wanted to grant to a man so much land under a restrictive covenant, and you wanted to have that transaction placed on the register, and it has not been on the register before, your view is that you would not be able to put on the register a notice of the covenant?—You would have to create the covenant first, I suppose.

1725. But you would not be able to put on the register a notice of it, you think?—I apprehend, according to the contention, that you would have to put on a notice of the covenant under the schedule in the Act; but then the covenant would itself have to be created.

1726. Your point is, that there would have to be a second deed. If you look at pages 68 and 69 of the "General Instructions issued by the Land Registry," I do not think that is so; but at all events, whether that is so or not, a rule might be made to meet the point; that would not be an objection in principle to the Bill?—But, as I said before, you must create the covenants and conditions first of all, and then it might be referred to on the register.

1727. We will assume that it has been once

Chairman—continued.

created; afterwards, at all events, for all time, it might appear on the register?—Yes, I suppose so.

1728. Therefore, if it could not be done under the present law, that law could be altered to enable it to appear?—But every new transaction would have to be under the old system.

1729. But could not the new transaction take place under the new system by a transfer of a piece of land by registration of title to a piece of land with a notice of restrictive covenant, without a deed at all?—Yes, but the restrictive covenant would have to be created first of all.

1730. But it need not be created on parchment; it would be sufficient if the purchaser accepted and permitted to be placed upon the register the fact that there was such a covenant, stating what the covenant was, would it not?—I suppose you could refer to a covenant.

1731. Or, if it was not so, it could easily be made so?—Yes, I suppose so.

1732. What you have been saying is not, of course, an objection to the principle of registration?—I confess that I do not quite follow you, as to placing the notice of a covenant on the register, unless you have some deed or document to refer to, as is referred to in the Schedule.

1733. I do not think I need elaborate it; but, supposing I buy from you a plot of land, and agree at the same time that I will take my title by an entry on the register?—I follow that.

1734. Or by a transfer on the register?—Yes.

1735. And also agree that I will not use that land as a public-house for ever; there is no difficulty (without previously putting it on parchment) in entering that fact, as one of the conditions on which I hold the land, on the register?—You mean that that condition would be on the register, and you would have no deed.

1736. Yes, and have no deed?—Yes, but if you begin to multiply conditions on the register, it will be very difficult.

1737. That is only one condition; would there be any difficulty in entering that?—I do not think there would be, unless it is putting too much on the register.

1738. Do you agree with the general view that it would be desirable, if possible, that the purchaser should not be bound to inquire into the equities affecting the fee-simple of the estate?—The equitable titles with us are the main titles that we have; therefore, if he did not inquire into the equitable titles he practically would not inquire into the titles at all.

1739. You say that you have a great number of equitable titles; you deal very largely with equitable titles?—Yes.

1740. If there was a register of fee-simple titles with notices merely of the equities, do you not think that you could work your business under that system; it would require an alteration in your ways and habits of doing business; but do you not think you could do it very easily?—It would involve the preparation of a deed of conveyance, plus the addition of registration.

Mr. Cornelius Thomas Saunders, called in; and Examined.

Mr. *Bolton.*

1741. You are a solicitor of Birmingham, and you have been in practice 40 years and upwards?—Yes.

1742. And during that time you have had considerable conveyancing business?—Yes.

1743. You have been a member of the council of the Incorporated Law Society for upwards of 20 years?—Yes.

1744. You are a past president of the Incorporated Law Society?—Yes; I was the first country solicitor ever appointed president.

1745. And you have been a member of the committee of the Birmingham Law Society for 35 years?—Yes.

1746. And you are also a past president of that society?—Yes.

1747. The Birmingham Law Society is a very numerous body of practitioners, is it not?—Yes.

1748. Practising in a very densely populated district, extending into the black country of Staffordshire, and the adjoining towns of Warwickshire?—Yes.

1749. You have taken considerable interest, I believe, for some years past in conveyancing matters?—I have, for many years.

1750. I believe you are one of those who made representations to Lord Cairns, about the year 1874, with regard to his proposals as to land transfer, with a view of showing him that transfer on a register was not applicable to small transactions?—I did so. I was the only country solicitor who did attend, with several London men, most of whom are now dead; and I explained fully to Lord Cairns and took him figures on that occasion; and the result of that was that Lord Cairns was satisfied that, at all events as regards the Midland district, the mode of conducting business there, and the cost at which it was done, the compulsory registration should not be extended to small cases, and he withdrew the 300*l.* cases, and subsequently withdrew the compulsory clauses altogether.

1751. He first drew the line at 300*l.*, and subsequently he withdrew the compulsory clauses altogether?—Yes, and he referred to that interview in his evidence before Mr. Osborne Morgan's Committee in 1878 as having influenced his mind in that direction.

1752. I believe you furnished very many statistics from your own experience, and the experience of other firms, showing how impracticable it would be to apply a system of registration to these small transactions in your city and its neighbourhood?—I did so; and in 1888, when I was president of the Birmingham Law Society, a memorandum was prepared furnishing statistics, which I now hand in, showing the expedition with which and the cost at which small transactions were performed. But later on, the year before last, we prepared statistics on a very much larger scale, which I also hand in, and which give an account of 1,265 transactions (*handing in the same*).

Mr. *Bolton*—continued.

1753. Will you tell the Committee how those statistics that are embodied in that paper which you have handed in have been collected, and by whom?—The committee of the Birmingham Law Society directed their secretary to communicate with a large number of offices in the town, the offices doing the most conveyancing practice, and to ask them to return not a picked but an average selection of cases up to 600*l.*, with a statement of the cost and the time involved therein; secrecy was bound to be observed in such a transaction as that, and the secretary alone knew the names of the solicitors sending in the accounts; but if required by this Committee, the secretary will attend at an adjourned meeting and vouch personally for every item in those accounts which I now put in; but they were under the direct superintendence of the committee of the society.

Chairman.

1754. The Committee have been considering these figures, and we have come to the opinion that it will not be convenient to have a large number of figures printed upon our Proceedings, especially as they are likely to be multiplied; that is our decision. The Committee intend to adjourn now, and we should be obliged if you could come back again on Monday week and give us your judgment, from your experience and knowledge derived from your inquiries, among other things, as to what is the average cost in your district for purchases at each stage of 100*l.*, 200*l.*, 300*l.*, and so on up to 600*l.*; we do not want you to enter into minute mathematical research, but, looking at all the information at your disposal, to tell us what you think is the average cost?—If you please, would you say from 100*l.* to 300*l.*, and from 300*l.* to 600*l.*; there is really no practical difference.

1755. If you please, I will leave that to your discretion——

Mr. *Tomlinson.*

1756. Will your summary give the total charges of the vendors and the purchasers together, or only one side?—It will only give the purchasers; but the vendors, as a rule, are the same.

Monday, 10*th June* 1895.

MEMBERS PRESENT:

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Colonel Long.
Mr. Lambert.
Mr. W. F. D. Smith.
Mr. Tomlinson.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

MR. JOHN ELLIS, IN THE CHAIR.

Mr. CORNELIUS THOMAS SAUNDERS, re-called; and further Examined.

Mr. *Bolton.*

1757. You were good enough to undertake to look through the returns which you have obtained as to the costs and expenses in small transactions in solicitors' offices in Birmingham, and to give us, to the best of your ability, something like a concise summary showing the average charges made, taking the transactions under certain scales, say 100*l.*, 200*l.*, 300*l.*, 400*l.*, 500*l.*, and so on; will you kindly give us the result?—I have gone carefully through the figures, and checked the calculations myself personally, and I now produce a summarised condensed statement of the effect of the voluminous statistics which the Committee did not see their way to admit *en bloc* on the last occasion.

Chairman.

1758. In so doing you have been guided, I presume, by the decision of the Committee, which the Chairman conveyed to you at the last sitting of the Committee at Question 1754?—Just so. The account which I now present shows in a tabular statement the result of 747 cases of purchases and sales up to 600*l.* The statement shows as the average cost of each transaction (of course, exclusive of stamps), in cases up to 100*l.*, 2*l.* 9*s.* 7*d.*; up to 200*l.*, 3*l.* 4*s.* 5*d.*; up to 300*l.*, 3*l.* 12*s.* 9*d.*; up to 400*l.*, 3*l.* 19*s.* 11*d.*; up to 500*l.*, 4*l.* 13*s.* 10*d.*; and up to 600*l.*, 5*l.* 12*s.* 7*d.*

Mr. *Bolton.*

1759. Will you hand that Paper in?—Yes, I will hand it in, together with the modified memorial of our society. I can also put in Appendix No. 2, containing an analysis of 305 mortgage transactions up to 600*l.* I have carefully estimated and calculated the averages shown in the voluminous return which I produced at the last meeting; and the result in each order of 100*l.*, 200*l.*, and so forth in cases of mortgages is as follows: In cases up to 100*l.*, the average cost was 2*l.* 4*s.* 5*d.*; in cases up to 200*l.*, the average cost was 2*l.* 19*s.*; in cases up to 300*l.*, it

Mr. *Bolton*—continued.

was 3*l.* 19*s.*; in cases up to 400*l.*, 4*l.* 1*s.* 5*d.*; in cases up to 500*l.*, 5*l.* 12*s.* 8*d.*; and in cases up to 600*l.*, 6*l.* 11*s.* 8*d.* You will notice the result was pretty much the same all through, namely, an average of about 1 per cent., scarcely more. Then Appendix No. 3 contains a statement of a comparatively few cases over 1,000*l.*, which I have taken as they stood from the voluminous statement produced at the last meeting, which, I think, the Committee will not object to admit in their present form. That shows the average run of costs in transactions over 1,000*l.*

1760. Will you hand those returns in?—Yes (*handing in the same*). We thought it wise to include charges up to 1,000*l.*, because I saw it stated that we confine our objections to the system to cases of small amounts, and that we dare not produce cases of large amounts, and therefore we send in that return.

1761. Will you also hand in, to be put in the Appendix, the report of your Law Society on the subject?—That report is prefixed to the accounts I have just handed in.

1762. I think you are strongly of opinion that there would be extreme difficulty in carrying through transactions such as are referred to in the returns which you have given us under any system of registration of title and registration of transfer?—I am. I consider that there would be very great inconvenience, especially in small transactions; I mention small transactions particularly because the increase of expense in small transactions would be very considerable as compared with the larger ones. But the inconvenience that we consider would arise would be the daily inconvenience from the interference of an official system with our freedom of action. If it were registration of deeds, we should not have the same objection, because in the registration of deeds, although there is a little trouble and a little delay, there is no judicial investigation into title, and the matter goes through in perfectly regular form, and we can tell to a few days when we shall have our papers back again; but directly you have a system of registration of title

Mr. *Bolton*—continued.

title you must have more or less an officer exercising *quasi* judicial functions ; there will be something to which he can object in the papers brought before him, and there will be requisitions which he will be bound to make ; all that will entail a system of interference with the freedom of our action, which we think will be extremely prejudicial in our ordinary course of business. We think that the rigidity of the forms and regulations which would be put in force, the want of any elasticity in them to accommodate them to the ever varying circumstances of the case under consideration, the interposition of a Government officer, who must take cases in their order regardless of emergency, the utter inability which would then exist of the solicitor promising the client, for example, an all-important advance of money within a few days, as he is now able to do ; the daily fret and annoyance arising from delays and official requirements in the place of the present free and uncontrolled mode of dealing with ordinary conveyancing matters, would be intolerable to a country practitioner who was accustomed to do these things without the intervention of counsel or submitting the title to counsel, but who would carry out the business in a rough-and-ready way, and complete the matter in a few days.

1763. Your observations would apply more particularly to registration if it were attempted to register a title as an indefeasible title ?—Quite so.

1764. But your observations would also, to a limited extent, I understand, apply to the keeping of any register by a public official at a public office, to which you would be bound to resort to complete and carry out your transactions ?—That would be so.

1765. What comparison do these charges, which solicitors make at Birmingham and in the neighbourhood, bear to the charges of other professional men engaged in connection with land transactions, such as surveyors, auctioneers, architects, and other people ?—The costs of solicitors do compare most favourably with the costs of every other professional man who has anything to do with land, such as auctioneers, architects, or money brokers. Take, for instance, the case of the enormous multitude of money brokers that there are in the country who act as intermediaries between solicitors and men wanting money ; very often a man goes to a money broker, and the money broker introduces him to a solicitor ; the money broker always expects to get 1 per cent. for finding the money. The solicitor, as you will see from the figures of costs which I have handed in, after investigating the title and preparing the conveyance, and so on, does not really get more than the money broker gets.

1766. Of course, if the effect of this proposed legislation were to drive solicitors out of the field, these transactions would fall into the hands of this class of money brokers and dealers in land and agents such as you have referred to ?—If what is sometimes supposed were to happen, namely, that solicitors would be driven from the field by the system of registration, there would be a class of unauthorised agents who would

Mr. *Bolton*—continued.

take up the business, and their charges would be under no control, and would, in all probability, much exceed those of the present authorised class, the solicitors.

1767. You would have, in fact, a much less respectable and responsible body of practitioners dealing with land transactions ?—We should.

1768. With regard to the question as between the transfer of land on any register, and the transfer of land as it is under the present system by deeds, what do you think is the popular feeling in regard to that matter ?—I should think the popular feeling is in favour of transfer by deed, and that there would be a strong prejudice against the substitution of certificates in the place of deeds if that were attempted. Some advocates of the system aim at that, and therefore I feel bound to refer to it. If a system of certificate of title instead of deeds were attempted, I am sure it would give rise to very serious prejudice and objection.

1769. Do you agree with previous witnesses that title deeds are very useful for other purposes besides mere evidence of the transfer of right to property, such, for instance, as rights to light, rights of way, easements, and boundaries ?—I have a very strong feeling upon that point, that independently of the antiquarian or sentimental interest, as it may be called, attaching to the possession of title deeds, there is a real and unquestionable advantage in a man having the old title deeds of his estate going back for a long period. I may refer, as an instance in my own experience many years ago, to a case which occurred in Birmingham, and which was the heaviest case with regard to boundaries which, perhaps, was ever tried there, which arose between the lessee of King Edward VI. School, a well-known grammar school there, and the adjoining owner. I was concerned for the lessee of the school in claiming the boundary-wall, with many valuable easements appurtenant thereto, as against the adjoining owner. The case was one of extreme difficulty, and we proved our case entirely by producing from the archives of King Edward VI. School, an ancient document of nearly 200 years old, which settled the case in the minds of Mr. Justice Lush and the jury.

1770. Such a thing as that would not arise in any but exceptional transactions ; but still it indicates your feeling that deeds may be useful for such purposes as I mentioned ?—Yes ; I may refer also to a very important case, reported in the "Times" on the day when the Committee last sat, viz., the Bristol Case, which is an exceedingly interesting case, in which a claim to a large quantity of land in the heart of Bristol was made. In that case, if any Member of the Committee reads the report in the "Times," he will see that the question depended almost entirely upon the production of ancient documents reaching back 300 years.

1771. That, again, was a case of a large transaction ?—Yes.

1772. My question was directed more particularly to general average transactions ; is it your opinion that people prefer to have their transactions carried through by their own solicitors by deeds rather than on a register kept by a public official ?—That is my clear opinion.

Mr. *Bolton*—continued.

1773. They prefer holding in their own possession evidences of their title to their land?—That is my clear opinion.

1774. With your large experience have you had many cases of fraud, or cases where people have lost their property in a way traceable to fraudulent transfer by deeds?—Of course, cases of fraud were the original ground upon which all attempts at registration have proceeded. I hold in my hand two of the most ancient tracts that were ever published on the system of registration, written in the time of the Commonwealth.

Chairman.

1775. Would you give us the reference to them?—The first is a tract written by Mr. Fabian Philipps (a well-known writer in the times of the Civil War), which was published in 1662. Then there was a tract by an anonymous writer, who was answering a previous writer in 1678. These two tracts show that the reasons alleged at that date for registration were fraud.

Mr. *Bolton.*

1776. It shows that this idea of evidencing title by a register and transferring on a register, is not a particularly new idea?—It is not a new idea. As regards my own experience as regards fraud, mine may be an exceptional experience; but when I prepared this evidence, I could only remember one single case of fraud in dealing with which I had been personally concerned, and that was 35 years ago, at the commencement of my practice.

1777. Under the present system of evidence of title to land and transfer by deeds, there has been almost an absence, has there not, of insecurity of title from fraud?—There has. In the case I refer to, the fraud would have been easily discovered, had the purchaser taken the precaution which every purchaser should take of stepping the land before he completed his purchase?

1778. I suppose you agree that it is a great security to dealers in property that the transactions should be in the hands of a respectable body of men like the solicitors of England rather than in the hands of unauthorised and comparatively unimportant agents?—I do. I ought, in fairness to the Committee, to state that in ransacking my experience since the last meeting, I have recalled one other case of fraud, and that is a case which would, undoubtedly, be benefited by registration. It was the case of a man whose predecessor had squatted on a piece of land, and got no title deeds; that man went round to lawyers in the Birmingham district, and borrowed money right and left on his possessory title without a deed. If there had been registration of deeds, of course he would have been found out very soon; but that case is one of very rare occurrence, and you have to consider the majority of transactions, and not rare and infrequent ones.

1779. Therefore, you would say that the present system in your experience is a perfectly safe system, so far as anything human can be safe?—Yes.

1780. That, I believe, was the opinion entertained by Mr. Osborne Morgan's Committee in 1878?—It was.

Mr. *Bolton*—continued.

1781. Now, I believe you have had some transactions with a registry under the existing Acts?—Yes; in a very few cases.

1782. I believe you wish to mention three transactions you have had with the present Land Transfer Registry, which do not show any very great expedition or great advantage over transfers made by deed?—They do not.

1783. Will you just mention the cases?—We had a case, which I will call Y's case. That was a case of a mortgage for 500*l.* on a comparatively small property carved out of the Hornyhold Estate at Malvern, and which estate had been put on the register. In that case my firm acted for the mortgagees, and a Malvern solicitor for the mortgagor. I took over the mortgage money to Malvern on the 29th November 1892, and as the conveyance and mortgage both required to be registered, I left the registration, to save expense, to the solicitor to the mortgagor, to carry through. I did not obtain the certificate of registration until April 1893. During the whole of the intervening period I was unable to hand over the deeds to my client in a completed state, which, in the case of a young practitioner, might have been very injurious. I was furnished, at my request, with a narrative statement by the mortgagor's solicitor showing the dates of the various steps taken. These showed that he had been guilty of no delay whatever in satisfying the various requirements of the Registry Office, and the added expense to which his client had been put in the matter of official fees was 10*l.* 1*s.* 1*d.*, and his own extra costs would, if made out under Schedule 2 of the Remuneration Order, have exceeded 7*l.*, but his client being a poor man, he was obliged to waive the whole of them.

1784. I believe there is another case you wish to refer to?—In another case I was concerned for the trustees; we bought there 1,800*l.* of freehold ground-rents, forming part of the Roupell Estate. I negotiated the purchase of these for trustees in January 1893. I investigated the title and completed the purchase, except registration, in one month, viz., in February 1893. I had to leave the registration part of the business to my agents, and I never received the certificate until June 15th, 1893, that is four months afterwards. I have looked through the narrative bill of my agents, and cannot see that there was any improper delay on their part, and there were no special circumstances of intricacy, and yet the time was consumed in completing the transaction; and not only was time consumed, but money, for the costs of the conveyance were swollen by the sum of 15*l.* 8*s.* 4*d.*, viz., Registry charges and fines, 10*l.* 7*s.* 5*d.*, and London agent's charges, 5*l.* –*s.* 9*d.* As those fees had to be paid in addition to my own costs, no earthly benefit resulted from that ground-rent being on the register; I did not give the man a penny more for it on that account, and I could not sell for a penny more on that account another time.

Colonel *Long.*

1785. What is the name of that case; can you give us some name by which we can identify it?—I will call it Fy's trustees.

1786. Roupell's

Mr. *Warmington.*

1786 Roupell's ground-rents would be a good name for that second case, would it not?—Yes, that will do.

Mr. *Bolton.*

1787. You have another case, I understand, which you wish to bring before the Committee?—The other case was S.'s case. There, some months ago, one of two brothers to whom certain estates near Birmingham had been devised by their grandfather as tenants in common, applied to my firm for an advance on his undivided moiety, and he remarked that there would be little to do as the case would be so very simple, he and his brother having, without professional assistance, as it appeared, put their estates on the registry. On inquiry at the registry, however, it appeared that they had been registered as joint tenants; and my partner, Mr. Bradbury, who attended personally at the registry, was informed that there was no machinery for registering tenants in common. As the interest of one joint tenant goes to the survivor on death, it was manifest at once that neither of the brothers was in the position to give a valid charge upon his own interest, and the only course

Mr. *Bolton*—continued.

which could be suggested by the registrar was that a charge should be taken on the borrowing brother's interest, and a "caution" lodged in respect of the non-borrowing brother's interest, so that in the event of his attempting to deal with it, an opportunity for opposing the application should be given; but this was altogether too unsatisfactory a security for my firm to advise trustees to lend upon, and as an immediate advance was imperatively required, the only course open by which the borrowing brother could be put in a position to give a separate valid charge on his separate interest was, at great expense, to have the estates valued and a partition effected, and this was done, though with the utmost reluctance and only "*ex necessitate rei*," and after an irritating expenditure of money, time and temper. But for the properties having been so put on the register, a mortgage could have been effected and completed in a week, at a cost very far indeed below what had to be sustained.

1788. That experience of yours does not give you a very favourable opinion of the registry that exists?—It does not.

MR. ATTORNEY GENERAL TOOK THE CHAIR.

Mr. *Bolton.*

1789. May I take it that the opinion which you have expressed with regard to the advantages of the present system over the system proposed to be set up by this Bill is an opinion shared by your professional brethren, and by dealers in land and house property in Birmingham?—It is entirely shared by us all. I can really seriously say that there is no demand whatever in the Midlands for this system by clients or solicitors. I never heard anyone express a desire for the system, and you may judge from the tabular statement as to costs which I have handed in that they cannot have much dissatisfaction with the costs. With regard to the question of costs, it might perhaps be useful to put in some further particulars that I have here. I have made out a calculation of what the costs would be for transferring property of the value of 500*l.*, reckoning the solicitors' fees according to the scale of 1889, taking land registered with a possessory title, and supposing the transfer to be 30 years hence, when the possessory title would have ripened into a title, that would be taken without investigation. That is, of course, the only contingency, as it will be seen, in which a possessory title will be of value, viz., when the possessory title on the register has so ripened into a title that will be taken without previous investigation. Taking property of the value of 500*l.*, of which the possessory title has so ripened, the cost under the Orders of 1889 would be as follows: The solicitors' fees, according to 1889 scale, would be 4*l.* 4*s.*; registry fees, including land certificate, 2*l.* 7*s.* 6*d.*; that would make 6*l.* 11*s.* 6*d.* in the case of transfer of property of the value of 500*l.*, independent of the negotiation fee of 5*l.* which the solicitor would be entitled to in accordance with the present

Mr. *Bolton*—continued.

authorised scale, which would make it up to 11*l.* 11*s.* 6*d.* That is not including any extra costs for maps, and so forth, or for travelling expenses to the registry office, supposing it was not in the man's own town, which must be the case in far the greater majority of cases. Therefore, when the possessory title has fructified, and when there is no title to examine, there is still no benefit or advantage under the registry system.

1790. I think you concur in thinking it is perhaps desirable to make one or two reforms in the present system, and you suggest that if two of the recommendations of the Committee of 1878 were carried out, the system would be improved?—Yes.

1791. Those recommendations are, first, the abolition of reconveyances of mortgages and substitution of endorsed receipts, as in the case of building society mortgages?—Yes.

1792. And, secondly, the creation of a "real" representative, as is proposed under the Bill?—Yes. The case of reconveyances of mortgages is the one thing that clients do grumble about; they do object to being put to the expense of a reconveyance after they have paid off the mortgage.

1793. You also consider it to be a very acceptable thing if the Government could see its way to reduce the stamp duty on conveyances, which at present is 10*s.* per cent., to 5*s.* per cent.?—Yes, 10*s.* on 100*l.* on conveyances compared with 2*s.* 6*d.* on mortgages, does press very heavily on conveyances. Lord Halsbury said, in introducing his Bill, that the costs should be reduced, and the only way of reducing the cost is to reduce the solicitors' costs, and therefore I point out that as one way in which it might be done.

1794. I wish

Mr. *John Ellis.*

1794. I wish to ask one question as to the report you handed in on behalf of the Birmingham Law Society. I notice it is dated May 1893; it is, in fact, a reprint of a report of a few years ago?—Yes, with a slight modification.

1795. The figures you give in the appendix are figures founded on inquiries made in April 1893, are they not?—Yes.

1796. You point out at the end of the report that the last paragraph but one, with respect to advances by bankers, is inapplicable in consequence of the change in the Bill of 1895?—Quite so.

1797. If there were any other changes as between the Bill of 1893 and the Bill of 1895 the report would be inapplicable in respect of those changes also?—There are no other changes in respect of which it would be inapplicable.

Mr. *Warmington.*

1798. I understood you to say there was no demand on the part of the public for this, and and that, indeed, they entertain an objection to the system of registration. Will you tell the Committee how you have ascertained the feeling of the public upon the point?—I am, of course, continually meeting a large number of clients. I have never heard any client or any man of business express dissatisfaction with the existing system.

1799. Does it come to this; that is the public opinion as you have gathered it from your own clients?—From my own clients and from other property buyers with whom I come in contact, and of course I come in contact with a large number of property buyers apart from my own clients.

1800. There has been no representation or resolution of any public meeting or any public society not connected with law?—No; and that, I think, is one of the strongest evidences against the system. The Birmingham Town-hall is the most famous place in England for the enunciation of advanced opinions, and I have never heard, in my experience on the platform of the town-hall any orator declaiming against the present system of land transfer, and asking for a system of registration of title, and if it were asked for anywhere I think it would be in the Birmingham Town-hall.

1801. I should like to know whether the objections to the system proposed, as to which you have been speaking, are stated by you from a feeling of apprehension, or whether they are at all founded upon criticism of the system as it exists in the colonies?—I have no experience of the system in the colonies. I am aware that in the Australian colonies there is a compulsory system of registration of deeds, and there is a system of registration of title under Torrens' Act, which is only applicable to cases under Crown grants that took place after the commencement of that Act. The Torrens' system does not apply to other property that had not come under the Crown.

1802. You have not heard solicitors complain of the system in the colonies?—I have a letter here from a Birmingham solicitor. I may say that since it was known I was coming to give evidence before this Committee, I have had

Mr. *Warmington*—continued.

many communications sent me, but I cannot read them, as they are not evidence. But I have a letter from a Birmingham solicitor of high standing, giving an account of the trouble he has been put to in the case of Australian registration.

1803. I was rather referring to the experience of colonial solicitors; you have not heard from any of them?—No, I have had no evidence from colonial solicitors.

1804. You have, I think, rather assumed that registration would imply the destruction of old deeds; why should that be so?—It does not imply the destruction of deeds anterior to registration, of course; but if the idea of the promoters of the system is to substitute a certificate of title like a broker's certificate for a title deed, and if that idea is persisted in and carried out, in any system of registration founded on this Bill there would be in future a total cessation of title deeds, and a man will have a mere certificate of title which will lead up to nothing, and refer back to nothing.

1805. There would be a succession of certificates, would there not?—I think the man has to give up one certificate for the other.

1806. What is the difference between a succession of certificates and a chain of deeds?—I think under the Bill it is proposed that one certificate is given up to be cancelled when the other is given.

1807. Certainly, but there is no reason why it should be destroyed; what is the difference between that and a chain of deeds?—There is all the difference between a succession of title deeds disclosing easements, and so on, which a man can keep in his own chest, and having to refer to an office.

1808. The difference is rather in the possession of evidence of title?—Yes; the Committee of 1878 reported that "Englishmen have an almost superstitious reverence for their title deeds."

1809. What you say is in deference to that superstition?—Quite so.

1810. Do you say that under the present system one tenant in common cannot be registered as the owner of an undivided moiety of a fee-simple estate?—That appears to be so. Of course it is possible to suppose that might be rectified.

1811. At all events, that is your view?—That is my view.

Mr. *Greene.*

1812. Are we to understand that, in speaking on behalf of the Birmingham Law Society, you are speaking only up to the date of 1893, or have you had communications since?—No; but nothing has happened since 1893 to alter the opinion then formed.

1813. Does the society you represent have branches in different parts of the country?—We embrace a large area; the densely populated district of the Black Country is all in the Birmingham district, and we go as far s uth as Coventry in Warwickshire.

1814. There are members of your society practising in those districts?—Yes.

1815. It is from those that you have got the particulars

Mr. *Greene*—continued.

particulars of which you have handed in this table?—Quite so.

1816. Is it in your own knowledge, or from what you hear, that there are a great number of small transactions in the Black Country?—In the Black Country, more than in Birmingham, they have an immense number of transactions of under 100*l.*

1817. A man buys his own cottage, for instance?—He buys land for 20*l.* or 30*l.* and builds a cottage on it; that is done more in the Black Country than in Birmingham.

1818. Would it be a great inconvenience to those people if they had to send their solicitor from the Black Country to the nearest place where there was a registry, say to Birmingham?—It would increase the expenses which in small transactions would be a very great inconvenience indeed.

1819. Is it a matter that could be well entrusted to a clerk or done through the post?—Lawyers never like sending deeds through the post; I never send deeds through the post myself.

1820. There is a charge prescribed, is there not, for the solicitor attending to put a transaction on the register?—Yes.

1821. That is in addition to his out-of-pocket expenses, and so on?—Yes.

1822. Will you tell me whether the Law Society of Birmingham has expressed any definite opinion with respect to the registration of deeds simply, or is their objection to compulsory registration of title?—We should not have anything like the same objection to a registration of deeds such as we have in Middlesex and Yorkshire (which would, of course, be as effectual as regards the point of fraud as registration of title) as we have to registration of title, because in the case of registration of deeds the registrar has nothing to do except to see that the memorial is in proper form and pass it, and that is soon done, and it is all over.

1823. Would that be as effective a protection to the purchaser of a small holding?—Quite as effective.

1824. Do you see any reason why compulsory registration of title should be imposed on all persons and every other system excluded, in view of any public benefit that can be got from it?—I cannot see any desirable benefit. I can see a benefit in the registration of an indefeasible title for a large estate that has got into a scrawl; there would be an undoubted benefit there in having a clean slate for a time, with liberty to take it off the register when a clean slate is obtained. If there had only been liberty to take property off again, under the Act of 1875, I believe there would have been ten times as many registrations under that Act, and so the Committee of 1878 saw, and accordingly recommended that there should be liberty to take it off again.

1825. My question had reference to whether there should be compulsory registration of possessory title only, to the exclusion of all other modes of conveying property between vendor and purchaser?—I do not approve of that; but if there is any system of registration the least hurtful would be a compulsory system of registration of possessory title which in 30 years

Mr. *Greene*—continued.

would fructify into an absolute title, but, as Mr. Holt said in 1878, it would be a weary waste of time all the time the title was fructifying.

Mr. *Tomlinson.*

1826. Have you had any practical experience in the laying out of building estates?—Yes.

1827. Supposing you want to sell in building plots, what would be the process; I suppose the agent would, in the first place, prepare the contracts?—Yes.

1828. Those contracts would have a plan, I presume?—Yes; there would be an estate plan, of course.

1829. Each plot sold would have an independent plan, would it not?—Yes, it ought to have.

1830. Is it the practice in Birmingham for each plot to have a plan?—Yes, it is becoming the practice now; in the old deeds we do not find plans, but in modern times the value of a plan is being felt, and, as a rule, there are plans, but in very small transactions people will not go to the expense of a plan if they can help it.

1831. Do you find any practical difficulty in ascertaining boundaries?—No; it is very seldom that a boundary question arises.

1832. Assuming the estate was on the register, and you wanted to carry through a sale of a building plot, would there be any expense in identifying the plots for the purpose of that sale?—No, I do not suppose there would; no more than in a case where it was not on the register.

1833. Only that there would be a separate register of each plot?—Yes; that would be troublesome and expensive.

1834. I suppose the registrar would have to be satisfied as to the identity of the plot sold in some way or other?—Yes.

1835. Some competent person would have to determine that?—He would. I have a letter from Mr. Browning, a solicitor, of Redditch, giving a graphic account of his troubles in a similar case, where the property was carved out of a larger estate; but I cannot read the letter, as it is not evidence.

1836. At any rate, as a matter of fact, cases of difficulty have arisen from that cause?—They have.

1837. And would arise if there was compulsory registration?—Yes.

1838. Have you had anything to do with building societies?—I was solicitor to a building society when I began practice; but that is nearly 40 years ago.

1839. You have not heard of any feeling on the part of building societies in favour of this Bill?—No.

1840. Do you suppose that the disinclination to adopt registration arises from ignorance of the possibility of such a system?—I do not think it arises from ignorance of the system, so much as from fear of the introduction of the official system. We suffer so much from the experience we have already had of the official system; in bankruptcy it is positively dreadful what we have to undergo in the way of official interference in every detail; and we are naturally afraid, if we have officialism in land transfer, we

should

Mr. *Tomlinson*—continued.

should be very like toads under a harrow, as we are in bankruptcy.

1841. You do not adopt the opinion of those who say that the absence of feeling in favour of registration is to be ascribed to ignorance?—I am sure it is not.

Colonel *Long.*

1842. I understood you to say that if you had power to register titles with blots in them (which I understand would apply to a considerable number of titles) it would be a great advantage to have them on the register for a time, and then take them off when they got a good title?—Yes.

1843. Having got them into good titles you prefer to have title deeds instead of a certificate?—Yes.

1844. Although you recognise that certificate would be of use in that way?—I think the certificate would be of great use in clearing a title that was heavily encumbered or loaded, or in scrawl; but you should take care to take it off the register, and be rid of the officialism till it gets into a scrawl again.

1845. You said that one difficulty you foresaw was this: people come to you now in a great hurry to get money on mortgage, and having their title deeds you were able in a few hours, I think you said, to let them have the money?—In a very few days.

1846. I thought we were told that it could be done in a very few hours?—We could lend it on the deposit of the documents in a very few hours, probably.

1847. Would we not be in precisely the same position if they brought you not an ordinary certificate but the special certificate which they propose to offer to bankers under the Bill?—We do not think we should be in the same position as we are now with regard to advances, because every transaction we have to take into the registry must take its turn with other transactions. If we could be sure that we should always have as civil and obliging an officer as Mr. Holt, at Birmingham, and if we could be sure there would be no more transactions going on in future than in the past, we should not feel anything like the same apprehension we feel now, but that we should be accommodated and could get our transactions through. But in the face of the Birmingham statistics showing the immense number of transactions that would be pouring into the registry at Birmingham every day, and would have to be attended to in order, we feel sure our individual cases would have to go to the wall, however pressing they were.

1848. That is surely merely a matter of having a sufficiently large staff of officials and responsible registrars?—Quite so. If we are to multiply the number of registry offices and officials all through the country, to a number greater than ever would be contemplated, it is possible that the business might be done, but look at the awful expense that would be to the country; who is to pay for that?

1849. It would depend upon how many cases were sufficient to support a registry office of a certain size, and what area of country would

Colonel *Long*—continued.

produce that amount of business, would it not?—It would.

1850. Then your objection arises largely from the distrust of an official system and the difficulty of having a sufficient number to do the work rapidly?—That is one of the difficulties, but not all the difficulty; one of the difficulties is that there would be constant irritation and daily inconvenience from the delays incident to carrying transactions through a registry which was a registry of title as distinguished from a registry of deeds.

1851. I suppose forged certificates would stand in the same position as forged deeds?—Quite so; there would be no difference in that respect.

1852. Why do you think that less responsible practitioners would do the work under the new system; is it because the work would become so easy and simple that anybody could do it?—No; but there is no doubt that under the system of registration it would be easier to do without a solicitor than it is under the present system. Under the present system, if a man chooses to prepare his own conveyance he can do so; but it would be more difficult to prepare his own conveyance than to exchange one certificate of title for another under this new system. But then the Committee should remember that these cases which are talked about in discussing this subject are merely the cases of faddists; they are men who have plenty of time and inclination to familiarise themselves with the forms of the registry, and they would give themselves no end of trouble, and spend a lot of time, in order to save 6*s.* 8*d.* to a lawyer. Those are not the men with whom the solicitor has to do now; they are not the people we have to legislate for; nine-tenths of the property buyers, and men who are lending on mortgage, are successful men of business with their hands full, who have neither the time nor inclination to go to the registry for themselves, and who would very much prefer leaving everything in the hands of a solicitor in whom they have confidence; they could not sleep in their beds if they did not know their title had been properly investigated by a solicitor. In Mr. Holt's counterblast it will be seen he gives many interesting cases in which people have prepared their own plan; those people would eliminate the surveyor as well as the lawyer from land transactions, but those are not the men we have to legislate for.

1853. I imagine that the case of the joint tenant (which was the third case you mentioned) could be easily put right by an amendment of the law, could it not?—It might, possibly.

1854. One point struck me very much in the considerations you put for and against registration, and that was the distance of the registry office from the place where the solicitor might be; you said you objected to sending deeds by post, but I think that is not the universal feeling, is it; I have had deeds sent me by post?—I daresay you have.

1855. With our present system of registration of letters surely small transactions might safely be carried out in that way?—It is possible that might

Colonel *Long*—continued.

might be so, but I object to send deeds by post myself.

1856. But it is not the universal feeling with all the profession, is it?—It is not, but there would necessarily be difficulty and increased expense in all cases where the registry office was not in the identical town where the transaction was being carried out, as compared with the case where a solicitor only is employed, there would necessarily be delays; a man at Coventry could not complete a transaction safely without being certain that his deeds were on the Birmingham register, and therefore it would not do to send the documents by post, but he would have to wait for the return of the documents by post before he could complete the transaction. Supposing, for instance, he wanted to carry out a conveyance and a mortgage on the same day, and the purchase was to be completed at the vendor's office, the ordinary rule would be for the mortgage to be prepared in the common case in anticipation of the completion. Then the mortgage is taken by the mortgagee's solicitor, who is generally the purchaser's solicitor, to the vendor's office, and the conveyance is completed at one table, and the mortgage is completed at another in the same room. But you could not complete it under the register system unless you took all the people to the registry.

Mr. *Bolton.*

1857. The difficulty is rather as to identifying the person sending the paper as the person who is entitled to deal with the property, is not that so?—Yes, and there is the difficulty of getting a number of people together who are interested in the transaction.

Mr. *Haldane.*

1858. You have spoken of the difficulty of effecting, say, a mortgage by reason of having to get a certificate from a registry at a distance. Let me put this case to you: It often happens, does not it, that the legal estate is outstanding on the occasion of a mortgage or sale, there having been a prior mortgage, it may be, and the deeds being consequently away in the hands of somebody else?—It often happens that the legal estate is outstanding in an existing mortgagee who is being paid off, if that is the case the honourable Member is putting.

1859. The deeds may be elsewhere?—Yes, they may be.

1860. The deeds may be at York, and the transaction carried on in Birmingham, we will say?—It may be so.

1861. In that case, it is necessary, under the present system, to compare the abstract with the deeds at York; the mortgagee at York will not part with them?—I may say it is a most rare thing indeed for a Birmingham mortgagee to be lending money at York to begin with; it is only one case in a thousand.

1862. I am not putting that case, but I am assuming a mortgage of property at Birmingham, and the mortgagee there, but the legal estate outstanding in somebody who lives at York and keeps his deeds there; in that case you would have to send to York to compare the abstract with the deeds, would you not?—Yes, or send to an agent at York.

Mr. *Haldane*—continued.

1863. Anyhow, under the present system it often happens that the examination of deeds has to be made at a distance from where the transaction is carried out?—It does sometimes.

1864. That would be obviated, would it not, under a registration system?—Thirty years hence, when it has fructified into an absolute title and we have not to investigate the prior title, there would be an advantage in that respect.

1865. So that as soon as the title has matured into an absolute title you would have the advantage of getting rid of the difficulty which exists at present?—Yes.

1866. To pass from that to another thing you referred to, you said that with a possessory title it would be "a weary waste of time"?—That is what Mr. Holt said in 1878.

1867. Let us take it as it stands to-day; why is it a weary waste of time with a possessory title?—It is a waste of time for this reason: that it would be so long before it became what you may call an absolute title.

1868. But why is there a waste of time; supposing the transaction were going on without registration, and you wanted to investigate title on each occasion, the only difference in having a possessory title would be that instead of having a deed you would have an entry on the register and have exactly the same investigation of title, and no greater, as you would without a register?—Yes.

1869. Then how is it waste of time?—It is waste of time in this way: that during the 30 years there would be the extra expense introduced into every case of investigation of title in addition to registration.

1870. Why do you say extra expense, because you have to investigate title under the present system?—But we have not got to register under the present system; there would be very considerable expense attending registration with a possessory title, and that expense would be superadded until the possessory title has fructified.

1871. You have seen the scale for the land registry?—Yes.

1872. Is that *ad valorem* scale in cases of possessory title less than the cost of preparing and executing a deed?—No; I have put in a case of transfer of property of 500*l.*, in which the costs of the registration of a possessory title under the rules and orders and the scale of costs and fees of 1889 are more than the average costs in similar transactions, according to the experience of the Birmingham district.

1873. Was that largely made up of solicitors' fees?—That is the solicitors' fees independent of stamps.

1874. I am asking with regard to the scale of transfer charges at the registry alone on the transfer of a possessory title; and I am asking you to compare that with the cost of transferring by deed without investigation of title?—I have compared that, and find the advantage to be in favour of conveyance by deed without registration of title.

1875. According to the scale charged?—According to the scale of 1889, taking the case of property of the value of 500*l.*

1876. I am simply now comparing the scale

Mr. *Haldane*—continued.

charge on the register with the scale charge on the conveyance under the Solicitors' Remuneration Act?—Yes; but we do not get the scale of the Remuneration Act. I wish we did; we should be rich beyond all dreams of avarice if we did.

1877. Take first the case under the Solicitors' Remuneration Act, because I doubt whether solicitors in this benighted metropolis do things on the same enlightened principles as you do in Birmingham. Comparing that scale with the scale under the Land Registry, is not the Land Registry scale for a mere transfer much less than the scale under the Solicitors'?—Much less; but then we do not get the scale under the Solicitors' Remuneration Act.

1878. You are very moderate?—We do not get it, and therefore it is useless comparing it.

1879. Just to bring together what I wanted to put to you: in comparing the scale under the Solicitors' Remuneration Act (bearing in mind what you say about the scale not obtaining in Birmingham) with the scale of fees for the transfer of possessory title, the fees for transfer on the register in that case are substantially less, and the cost of investigating title is the same in both, is it not?—No; the investigation of title is included in the scale under the Remuneration Order, of course; but if you come to the transfer of a possessory title on the register for the next 30 years, there would be an investigation of title that would have to be paid for under Schedule II. of the Remuneration Order of 1882, and then the registration of title would have to be paid for under the Order of 1889.

1880. Take the cost under Schedule II. of the Remuneration Order, and the cost of the transfer of possessory title, and compare the two items so added together with the costs under the Solicitors' Remuneration Act; have you worked that out?—I have not worked that out, but it would depend upon the circumstances of each particular case; because when you come to Schedule II. of the Remuneration Order you are paid according to the work done. Each case would have to stand upon its own bottom, and it might be that the investigation of title would be very onerous, or it might be very light. You cannot form an opinion upon that without taking into consideration the circumstances of each case.

1881. Supposing the remuneration scale prevailed in London?—I do not think it does.

1882. Supposing you were dealing with a place where the remuneration scale, which, after all, is what the solicitors in consultation with the Lord Chancellor fixed at this basis; supposing they were taken into account and were the standard, you have two advantages in the registration system over the present system, have you not; first, that you need not go and search the deeds at a distance to compare with the abstract?—You mean that that will be so 30 years hence?

1883. Quite so?—Up to that time there will be double expense, or, at all events, there will be a largely increased expense for 30 years.

1884. There will be the same cost of investigating the title under transfer by registration as against transfer by deed, will there not?—No, that is not applicable, because the scale charge for investigation of title includes the preparation of the conveyance.

Mr. *Haldane*—continued.

1885. But we had it just now that there is another scale under the Second Schedule?—That would be where there was registration with possessory title, and that possessory title had not fructified, and there would therefore have to be the same investigation of title as if the estate was not on the register.

1886. If it turns out that those two items, the charge under the Second Schedule, plus the charge for the transfer of the possessory title on the register, are less than the present charges under the Solicitors' Remuneration Act for the transfer of property at present off the register, that is an advantage gained, is it not?—It would be an advantage gained if the scale was obtained by solicitors; but all over the country the scale is not obtained. The comparison is all hypothetical, because the scale is not obtained.

Mr. *John Ellis.*

1887. The scale is higher than it need be?—The scale is higher than competition brings it down to.

Mr. *Haldane.*

1888. In addition, when you have got your title absolute you have the advantage of not having to go to look at deeds at a distance?—When the 30 years have run out there would be that advantage; but during all the 30 years there would be greatly increased expense; it would be, in fact, punishing this generation for the generation 30 years hence.

1889. Why do you say the expense is increased?—For this reason: in the statement which I have put in, founded upon an immense number of cases from Birmingham, you will see what the average cost in each case is. I also put in a paper showing a typical case of the transfer of property of the value of 500*l.*, and showing what a solicitor under the Order of 1889 would be entitled to.

1890. That I follow; the work done and paid for would be the same in both cases?—The cost under the Order of 1889 is as much now as the cost we get in the Midland district, independent of registration altogether; and under the register system that would have to be superadded to the costs under Schedule II. of the Remuneration Order, until the title has fructified on the register.

1891. Under the register with a possessory title and the transfer of a possessory title you have got to make exactly the same investigation as at the present time?—For 30 years we should.

1892. That system is the same in the case of a transfer of a possessory title upon the register and a case of transfer under the present system?—Yes.

1893. The only difference between the two is, that you would substitute under the new system the transfer of the possessory title on the register for the deed?—Yes; there is no gain to the client for 30 years hence, and there is great loss to the client in the 30 years that would have to run through.

1894. You mean upon the Birmingham scale?—Yes.

1895. When you had the transaction as regards tenants in common which you have described,

Mr. *Haldane*—continued.

described, one of them, as I understand, came and wanted to borrow money from you; the property was put upon the register, and it turned out they were joint tenants; did you look into the restriction section, Section 58 of the Act of 1875?—No, my partner transacted the business; I did not transact it myself.

1896. It is Section 58 of the Act of 1875; does not that give power that would meet the case?—There is no provision for registering tenants in common.

1897. No; but there is provision for registering restrictions?—We saw that we could put a caution in the register.

1898. I suggest that under that section you could have dealt with the case adequately, and it would be exactly like the case where the legal estate is outstanding in trustees, and you would have complete protection because you would have a register of the restriction preventing the owner of the legal estate from dealing with it except with consent?—In this case the clients had done without a lawyer, and had put the property on the register, and had done it in the only way they were told at the registry they could do it; they had put it on as joint tenants, which they were told was the only way to do it.

1899. Do you know whether inquiry was made as to putting on a restriction?—It was suggested that it might be done by putting on a caution.

1900. I suggest that a restriction was the proper way?—A caution and a restriction are very much the same, I think.

1901. A restriction would prevent a man from transferring the interests of the tenant in common without consent?—We should not have liked to drop 2,000*l.* upon such security as that.

1902. Is that because you were not so familiar with the system or because you have picked some hole in it?—It may be partly that.

1903. For myself I do not see any hole in it?—In the end we partitioned the estate.

Mr. *Wayman.*

1904. Do your objections to registrations apply only to the time that will have to expire before the possessory title becomes an absolute title?—No, I object to it *in toto.*

1905. I thought you said there would be advantages in the system after that time?—No; my whole objections to officialism, and the restraints and daily fret and annoyance of having to depend upon the system being carried out through the registrar would apply 30 years hence as they would at present while the title is fructifying.

1906. If the title is absolute in 30 years, what would be the difficulty?—Each case would then have to go before the registrar for his decision, and there would be matters of boundaries and maps, and rights to be settled, and there would have to be a judicial decision given by the registrar on each case.

1907. Would there be much more difficulty and expense incurred than there is now?—I do not say there would be much more expense in investigation of title than there is now, although the difficulties of investigation of title now are

Mr. *Wayman*—continued.

very much over-estimated; but it would be the introduction of officials into our daily work that would create the annoyance and trouble.

1908. But you admit the expense would be lessened, do you not?—No, I do not admit the expense would be lessened at all.

1909. At all events you admit that it will not be increased?—Thirty years hence it would not be increased, but during the 30 years it would be very largely increased.

Mr. *Wickham.*

1910. Have you any knowledge of solicitors' charges beyond Birmingham?—No.

1911. Is there anything exceptional in your Birmingham charges?—I do not think there is. I think we charge very moderately in Birmingham; I wish we could get more certainly. I think solicitors are better paid in London than we are at Birmingham.

1912. Are you confident it is the fact that in one of the cases alluded to by you, two tenants in common were registered as joint tenants?—Certainly.

1913. Then they were wrongly described upon the register?—Yes.

1914. Might not that have led to litigation?—It might have led to a very unfortunate result if one of them had died, because the survivor would have taken it all.

Mr. *W. F. D. Smith.*

1915. I quite understand that the expense might in some cases be increased during the fructifying of the possessory title, but I cannot understand how it could be increased after the possessory title had become absolute?—It would not be increased, but I say it would not be lessened unless the Legislature interferes and cuts down the scale of costs under the 1889 scale still further, so as to eliminate us from the field altogether.

1916. Would it be the same in large transactions?—Yes, the same rule would apply, or ought to apply, of course. It is the scale under the Order of 1889.

1917. That is to say, it would affect large transactions in the same way, in your opinion, as small transactions?—Yes; but my evidence, I should like the Committee to understand, is mainly directed to transactions of under 1,000*l.* in value. That is what I come on behalf of the Birmingham Society principally to state, just as we stated before Lord Cairns in 1874, when we satisfied him it would not do for the Birmingham district, at all events.

Chairman.

1918. I do not know whether you have formed any conclusion as to the Australian system, but let me ask you, is it your view that the Australian system of registration is a failure?—I cannot say.

1919. You do not profess to give any evidence upon that subject?—I can only say that a member of our Council of the Law Society, Mr. Howlett, who has given great attention to the subject, having published a paper upon the subject, has said that in Australia they do not register titles unless they are obliged.

Chairman—continued.

1920. I will not enter upon what Mr. Howlett said to you, but you do not purport to give evidence here to suggest to us that the Australian system is a failure?—I do not.

1921. I understood you to say, in answer to my honourable friend the Member for St. Pancras, that you speak for the dealers in land as well as for the legal profession in Birmingham?—I speak the sentiments of property buyers.

1922. Have you any authority from dealers in land to speak their sentiments?—I have to this extent: that, as I have said, I have never heard any desire expressed, in the very numerous transactions which I have had, for any other system than the existing one.

1923. I understand that; but I want to ask you whether you say you have any authority from dealers in land in Birmingham or the district to express their opinion?—No.

1924. I wish to ask you one question or two about those small transactions you spoke of; you have given the average of a number of small sales of land and the costs payable by buyers under them?—Yes, by buyers or sellers indiscriminately; they come to much the same.

1925. Were those incidents supplied by your different correspondents to your Law Society at Birmingham?—It was done in this way in 1893: A committee of our society, of which I am a member, sent to 40 or thereabouts of the largest conveyancing firms in the town, asking them to send in returns indiscriminately of transactions under 600*l.*

1926. Do you not think you might answer my question by saying "Yes"; the figures were supplied to your society by your correspondents, and members in the district?—Yes; members of the society.

1927. In those particular cases which you have given us, I take it the cost is only the cost of the buyer or the seller, but not the cost of both?—Quite so. It may be that in some cases the solicitor acted for the buyer and the seller, and in such cases we very rarely get any additional costs.

1928. At all events, in most of the cases you have given us illustrating the cheapness of small sales, you have given us the costs of the buyer or the seller, but not the costs of both?—Yes.

1929. Therefore to that figure would have to be added the costs of the other party?—Yes.

1930. I want to ask you this further: Is it not the case that there are many cases in your profession in which purchasers are willing to take a title which is well known to be a good title for a small plot of land, being a parcel of a large estate; are there not cases where people have confidence, and justly so, in the respectability and honour of their solicitors, and when they state that the title is, in their view, satisfactory, they do not require any special investigation of title?—Yes.

1931. I presume you do not mean to say that these small transactions you have spoken of involve investigation of title?—Yes, I believe so. I cannot say in every case.

1932. Do you say that in these transactions which averaged these small sums of money there was in each case, you believe, an investigation of title *ad hoc*?—Yes.

1933. Do you mean an investigation of the title of the whole estate of which it was a part?—We have not such a thing in Birmingham as a large estate that has been cut up into shreds; Birmingham is partly built on leasehold land.

1934. What is the class of the investigation of title that is represented by the costs you have referred to?—As regards the investigation of title in the case of a sale by auction, the title is limited by the conditions of sale, and since Lord Cairn's reforms the investigation has been very much reduced, because the Statute of Limitations has reduced the time for which it is necessary to go back.

1935. Is it the case in Birmingham, or in the Midland district, that the conditions of sale are made very stringent so as to exclude remote inquiry?—Yes.

1936. They are very stringent?—Yes.

1937. The consequence is, as Mr. Wolstenholme told us when he was here, that by restricting the rights of inquiry into title some risk is run?—If there is a risk I have never seen any evil result from it.

1938. People are getting much less particular about titles than they were, are they not?—I cannot say that.

1939. I will not press you upon that. As regards these small transactions which you were speaking about, supposing a man buys without an investigation, or with a very strictly limited investigation of title, a small plot of land; 150*l.* worth of land, we will say; when he has to sell it again it may be the buyer is not prepared to accept the risk that he was willing to accept upon the credit of the solicitor?—We never find any difficulty at all of that sort. It is satisfactory.

1940. The cases you have given us, you say, so far as they go, are typical?—Yes.

1941. You cannot tell in how many cases there was investigation of title, and in how many there was not?—I should assume there was investigation of title in every case, except in those cases in which the solicitor was previously acquainted with the title.

1942. You did not ask the particulars as to discriminating between the one and the other?—No.

1943. You gave three instances of cases in a registration office where you thought the work was unsatisfactorily done, did you not?—Yes.

1944. The first you described as the case of F.?—Yes.

1945. That case was under the Act of 1862, was it not?—I think it was, but it makes no difference——

1946. You say it was under the Act of 1862?—I will not be certain; the Roupell case was under the Act of 1862.

1947. It is F.'s case that I am putting; that was under the Act of 1862, you believe?—I have not refreshed my memory upon that point.

1948. The next case was the case of the Roupell Ground Rents; that was under the Act of 1862, was it not?—Yes. The last case, S.'s case, was under the Act of 1875.

1949. We need not enter to-day into the differences

Chairman—continued.

differences between the two Acts, because that would lead us into further inquiry; but you know that the Act of 1862 has been superseded?—Yes.

1950. You know that no fresh transactions have been able to take place since 1875 under the Act of 1862?—No, they take place under the Act of 1875.

1951. You know that that is not the state of the law which this Bill is proposed to apply to?—Quite so. I merely referred to that case on the question of costs.

1952. With regard to the last case you put, the case about tenants in common instead of joint tenants, your view is that tenants in common cannot be registered under the Act of 1875?—Yes.

1953. I will not pause to inquire whether I should agree with that view or not; but if that is the case it would be very easy to amend the law, would it not?—I daresay it would.

1954. So much for that. Then there is another point about the diminished expense under a register system; if you register the title of an estate, we will say of 10,000 acres, to-morrow, if an absolute title was registered, do you deny that it would be infinitely cheaper to sell that estate after it had been registered with an absolute title?—I do not deny it at all. I am not dealing with a great estate with an absolute title.

1955. You admit that it would be infinitely cheaper, after an absolute title had been registered, to sell in that way with an absolute title which would become the root for the future of all future dealings, than it would be to investigate the deeds for the last 30 or 40 years?—Yes, no doubt.

1956. You have not entered, I suppose, upon the point of how far the present register system in such cases can transfer at cheap rates small parcels of land worth 150*l.*?—No.

1957. You have not made that comparison?—No, but I have compared the cost under the scale of 1889 with the cost now.

1958. As regards officialism, I appreciate your objections; but supposing for the moment that it is desirable to have a land registration at all, could you do it otherwise than by an official system; could it be done by private enterprise?—I think a great deal might be done, as Mr. Wolstenholme and Mr. Hunter has suggested, in the way of conveyances of the legal estate alone.

1959. That is an amendment of the conveyancing law which does not touch the point of registration?—No.

1960. Assuming for the moment that it is desirable to register the title, is it possible in your view to do that in any other way than by an official?—You must have officials to do it.

1961. It is not the case of officials in competition with private enterprise, is it?—No, you must have officials.

1962. Your objection to an official is the fear of delay?—Delay and interference with the freedom of action that we now possess.

1963. That is to say, long deeds?—No, we have no long deeds; they are things of the past now.

1964. The point I put is this: if the official is courteous and attentive, and has time enough to do the work and does his duty, he might do it as well as anybody else, might he not?—If he had nothing else to do but the one transaction that we bring him.

1965. You are afraid of delay?—Yes, the inevitable delay.

1966. That is a matter of administrative arrangement, is it not; do you think it is impossible to obtain officials who will do their duty?—No, I think it is impossible to have a system of registration which would not necessarily entail long delay.

1967. You believe that delay is an inevitable concomitant of the official system?—Yes, because there would be such an immense number of transactions going through the registry, which would have to be taken in their turn, and could not be taken out of their turn.

1968. You think that objection is insuperable?—Yes.

1969. There must be delay, you think, whenever you have an official system?—I think so, as proposed by this Bill.

1970. Would you suggest any amendment in the Bill that would obviate that?—A register of deeds would not involve the same difficulty.

1971. I am not speaking of a register of deeds, but a register of title; do you think that an official system of registration of title must of necessity mean delay?—I do; and trouble.

1972. Do I understand you to recommend the register of deeds?—In preference to a register of title.

1973. But do you recommend a register of deeds?—I do not, because the only advantage would be in the case of fraud, and fraud is so rare that I do not think we need be troubled with the extra expense involved in the case of the registration of deeds to meet the case of fraud.

1974. You think it is not desirable?—It is not necessary.

1975. And therefore not desirable?—It is not desirable.

1976. Therefore, you are against every system of registration, whether of deeds or title?—Yes. I am a law reformer, and have advocated every reform, except this one, for the last 30 years. I am not against law reform at all.

1977. I am only eliciting your opinion; may I take it that you are opposed to all forms of registration indiscriminately?—Yes.

1978. You prefer to keep the system under which gentlemen keep their own title deeds, and have an investigation each time the property is dealt with as to the validity of title?—Yes.

1979. As I understood you, there was one advantage in the registration of title, namely, that in the case of titles with blots upon them, you would put it through the register in order to get rid of the blots on the title?—Yes, in large estates.

1980. There must be some merit in a system which would enable you to get rid of blots?—That is the merit that it would enable you to get a clean slate.

1981. Is it not the case that the system has that merit; if you put the title on to the register, and

Chairman—continued.

and you get it investigated and made an absolute title, you do get rid of all the blots?—That would be the advantage.

1982. The blots have arisen under the old system?—Quite so.

1983. When you have removed the blots by means of registration for a time, why should you take it off and put it under the risk of incurring fresh blots?—To get rid of officialism, and to be once more free.

1984. Did you say the forged certificate would take the place of the forged deed?—No; an honourable Member asked me whether there could not be a forged certificate as well as a forged deed; I said I presume there could be a forged certificate.

1985. But in the case of a forged certificate it would be very easy to ascertain the forgery; all you would have to do would be to send it with a letter to the Registry Office, and ask whether it was forged or not?—Yes; it would be very easy to detect the fraud, no doubt.

1986. Not only so, but when anybody took the certificate for the purpose of effecting a transfer of the land to himself, it would be immediately shown to him by the Registry Office?—Yes.

1987. So that there would be hardly any risk of loss?—There would not be the same risk. The fraud could be more easily detected in the case of a forged certificate than a forged deed.

1988. There is one more point you put; you made a comparison in the case of transactions of 500*l.* between the inadequate cost which Birmingham solicitors obtain now and what they would obtain under the scale of 1889 in the case of possessory titles being registered?—Yes.

1989. I have before me the paper you handed in as to that, and I see it is headed "Presumed costs 30 years hence." It is not an actual transaction, but a problematical estimate of what may happen thirty years hence?—It is under the scale of 1889.

Chairman—continued.

1990. It is an estimate of what you think will be the costs?—Those are the costs on the one side, the costs of the buyer or the seller.

1991. The statement speaks for itself?—Yes.

Mr. *Bolton.*

1992. It is the same now, is it not; you need not go to thirty years hence?—Yes.

Chairman.

1993. It begins in this way: "Presumed costs thirty years hence"; the reason being that that is the time you allow for a possessory title to mature into an absolute title?—Yes.

Mr. *Bolton.*

1994. It is equally applicable now, is it not, for the purpose of your comparison?—Yes.

Mr. *Haldane.*

1995. Do you think the scale as fixed under the Remuneration Order is too high?—It is too high for solicitors in the Midland district to obtain.

1996. But, as a general scale, are you in favour of reducing it?—I should be in favour of reducing it, because we might get it if it were somewhat less.

1997. Is any action being taken by any body of solicitors you know, provincial or otherwise, for the reduction of the scale?—No; because we work in a rough way under the scale, and we have to accommodate ourselves to it.

1998. Has any suggestion been made by anybody that the scale is too high?—No.

1999. I do not think it is too high; do you think it is?—No, I do not think it is too high; I think we ought to get it.

Mr. *Bolton.*

2000. It is a maximum scale, is it not?—Yes.

Mr. CHARLES BENNETT, called in; and Examined.

Mr. *Bolton.*

2001. I BELIEVE you reside at Mapley Plains, Nottingham?—Yes

2002. Are you an alderman of the Borough of Nottingham?—I am.

2003. I believe you are a brickmaker, and a manager of brickworks?—Yes.

2004. And you are also a director of two or three brickwork companies?—I am.

2005. I believe you have had considerable experience in the buying, selling, and mortgaging of land during the last 25 years?—I have.

2006. And you are a trustee of a very large land society?—Yes.

2007. In reference to the latter, which, I believe, is the Porchester Estate, you have had a great many deeds to sign, I believe?—Yes.

2008. How many?—Eight hundred and thirty-eight, I believe.

2009. Have you ever known any hitch or difficulty in connection with any of those transactions?—Not the slightest.

Mr. *Bolton*—continued.

2010. Have you bought land and sold it again after cutting it up into a number of plots?—I have bought none, privately, to sell it. I have bought it as a trustee.

2011. But you have bought it?—Yes, as one of the trustees of the Porchester Estate.

2012. And the professional work has been done by your solicitor?—Yes.

2013. Have you ever experienced any difficulty with regard to the title, or otherwise?—Not the least.

2014. Have you had any reason to complain of the solicitor's charges?—Not at all.

2015. In the case of the 838 deeds to which you have referred, what was about the solicitor's charge, exclusive of stamp duty?—10*s.* 6*d.* in that case.

2016. About 10*s.* 6*d.*, exclusive of stamp duty?—Yes.

2017. Did that include a plan and abstract?—Yes.

2018. Do

Mr. *Bolton*—continued.

2018. Do you produce a specimen of the conveyance in use on the estate, and an abstract of the title?—Yes (*handing in the same*).

2019. I suppose this particular property has been an advantage, has it not, to the people of Nottingham?—A great advantage.

2020. Were the sales of many of the plots completed on the same day as the contract was made?—Some of them.

2021. I believe Lord Carnarvon is interested in property at Nottingham?—Yes.

2022. And he has instituted some comparison, I think, between our present system and the Australian system, has he not; has he expressed any opinion about it?—He considered that our system was equally as good as the Australian.

2023. There is an adjoining estate with which you are acquainted, known as the Carnarvon Estate, is there not?—Yes.

2024. Consisting of how many allotments?—From 200 to 300.

2025. Two hundred and thirty-four?—Some 200 to 250.

2026. There is also, is there not, another estate called the Thorneywood Estate, which is dealt with in the same way?—Yes, I am trustee for that.

2027. You produce, I think, a specimen abstract of title and conveyance as in use on the Carnarvon Estate?—Yes (*handing in the same*).

2028. Without putting them in the Appendix, the first abstract of title to which you refer is an abstract on four sheets of brief paper?—Yes.

2029. A printed abstract?—Yes.

2030. And the conveyance is a short printed document on a small sheet of parchment with the plan referring to it within it?—Yes.

2031. The other case of an abstract is a shorter abstract of two sheets only?—Yes.

2032. The deed of conveyance is a similar printed document?—Yes.

2033. Equally short?—Yes.

2034. In none of these cases, I think, is any fee payable to the freeholder on the transfer of the plot?—Not so far as I am aware.

2035. Is it within your knowledge that many of the purchasers require small advances of sums of 50*l.* or 100*l.*?—In some cases.

2036. Do they get those advances without any difficulty?—Yes.

2037. You have heard that there is a proposal to set up a register, to be kept by a public official, on which these transactions should be entered, so that when a man buys property it is to be entered on this register, and when he transfers it, it is to be transferred by an entry on this register, that his evidence of ownership is to be a certificate signed by the registrar, and the dealing is to be through the register. Do you think that such a system as is proposed to be set up would be as acceptable to the people of Nottingham as the system that now exists, and that you have previously described?—If I might be allowed to say a few words respecting this proposal. Now, I may say that at our shareholders' meetings on different occasions the register business has been brought up.

Mr. *Ellis*.

2038. Are you speaking for a public company?—I am speaking on behalf of the working men in and around Nottingham.

2039. You used the word "shareholders"; shareholders in what, may I ask?—Shareholders in the land society, not in a public society. I am speaking now of shareholders in the land society, and more especially first respecting the Porchester Estate. I have taken an active part in its work for some years past now, for reasons of this kind—that at Nottingham some years ago the Corporation was acquiring certain garden sites for an alteration in the town, one great alteration being the borough asylum, and the Lunacy Commissioners required a certain amount of land before they would pass a site for the asylum. That site was, I believe, 50 acres, and on that 50 acres the greater part of it was in garden allotments owned by the Corporation, who were bound to give way for that, and those gardens were taken away. We had public meetings in the town to know what was to be done, and there was a great stir respecting it; they wanted to take many gardens without compensation.

Chairman.

2040. Can you not come to the question about the sale of land, as near as you can, please?—Yes, I shall not be half a minute. This brought about getting some land somewhere else. I recommended them at a public meeting to look out for some land adjoining, and we met with some land called the Porchester Farm, which was upon the Porchester Estate; it was glebe land from Carlton living. We bought that, and it is all laid out; and everyone, I believe, within a very few has his transfer deeds; it has been very successful indeed, and I may say on occasions when different meetings have been held the working man seems to set great store by a little bit of parchment; he likes to have something to look at; he thinks his little bit of parchment is of great value to him, because he can go to his neighbour or friend and borrow 50*l.* or 60*l.* and build a little cottage on his lot, which means a great deal to him. I am quite of the same opinion. I am quite sure that the opinion of many working men is that they would much rather the business stayed as it was so far as the deeds and land may go; they say that they do not feel that they would like to change the present system for land transfer by registration.

Mr. *Bolton*.

2041. Do you not think that they would prefer to have these transactions done by respectable solicitors; their fellow-townsmen in Nottingham, whom they know, and have known for years in the various law offices of Nottingham, rather than to have them done by a Government official in an office perhaps at Nottingham, or in some other town?—Decidedly they do; they strongly object to this officialism.

2042. Would they, or would they not, prefer to have in their own custody their deeds rather than to know that their title was evidenced by a register kept at some distant office?—I might say yes; they think as much of their title-deed,

Mr. *Bolton*—continued.

it it is only of the value of 100*l.*, as if it was 1,000*l.*; I am speaking for working men and small allotments; they set great store by their deeds.

2043. And do you not think that the working men attach a value and importance to having their own title deeds entirely under their own control?—I do.

2044. Do you think they would like to have their affairs on a register that might sooner or later be open to the public for inspection?—They have expressed themselves very strongly against it on several occasions.

2045. You see the point to which I am directing your attention: a register is set up, controlled by a public official, on which all these transactions are to take place; at the present time it is proposed that the register should be secret; the suggestion is that it should be kept by an official, who should not allow anybody to refer to that register unless he has the authority of a person who is on the register, and then only to refer to the entry relating to that particular person's property. That is the suggestion; but in process of time this register might be public, as in all other countries where registers exist they are more or less public. Do you think that the working men of Nottingham would view with anything but the greatest possible disapprobation a register that might make public in the future their transactions as to their various properties?—I might say that the matter has been mentioned on those lines, not knowing that it would be so exactly, but that possibly it might be so; they disapprove very strongly of one knowing what another has, or the state of his affairs.

2046. I suppose there are people in Nottingham who lend money upon deeds; bankers and others?—Yes, bankers and solicitors.

2047. Do you think, speaking as a man of business, that money could be obtained as readily on a certificate as on deeds, which the people understand and know?—I should say not.

2048. Do you think that people lend one another money more readily on the deeds which they know and understand than they would on a certificate?—I know it has been so on many occasions to my own knowledge.

2049. Even assuming that a certificate were made a document which could be deposited, do you think that they would prefer to lend money on deeds which are known and which describe the property?—It has been expressed in that way.

2050. Do you think, speaking as a man of business, that these people who deal in these small properties would have difficulties occasionally in borrowing money, or raising money, if a register were set up and they were compelled to go to a registry and do everything on the register?—I should doubt it, though I could not speak from experience.

2051. You mean you would doubt whether they could do it as readily?—Yes.

2052. Then, speaking as a man of business, at Nottingham you object altogether to the setting up of this official system with a register and

Mr. *Bolton*—continued.

registry?—Yes, I do. We have seen the value of that through the Corporation.

2053. I have not, of course, examined you as to the technicalities of this Bill; I have endeavoured to put it broadly to you as between the present system, with which you are reasonably satisfied as inexpensive, and a system of officialism which it is said could be worked at a small cost, which is open to certain objections that I have indicated, and you prefer the present system very much to the new system as proposed to be set up?—I do.

2054. Then do you see any necessity whatever for the proposed change?—Not the slightest.

Mr. *Smith.*

2055. Do I understand that this Porchester Farm was bought by the Corporation of Nottingham?—No, it was bought by the trustees of the Porchester Estate.

2056. Does a solicitor, or, I suppose, a firm of solicitors, for the trustees of the Porchester Estate, act for all these transfers of the various holdings?—That has been so.

2057. And would it not be possible that, acting as they do for the Corporation in a large number of transactions, the scale would be smaller on that account?—No, I do not think so. I can say of several of the estates that the price has gone from 10*s.* 6*d.* up to as high as about 55*s.*, which is the highest that I know.

2058. Can you tell us about what the value of the land would be on the 10*s.* 6*d.* fee?—That land would vary from 4*d.* a yard to 3*s.* 6*d.*, if it was cut up into lots.

2059. That would be the size of the allotments?—The size of the allotment runs, so far as the corners of roads go, from 650 yards, say 700 yards, up to 950 or 1,000 yards.

2060. Could you not give me the total value of an allotment?—They vary in different parts of the estate. There are something like nine acres on the Porchester Estate that run at 4*d.* a yard freehold.

2061. What I wanted to get at if we could was whether the 10*s.* 6*d.* was a remarkably small fee for the transfer of land of a certain value?—Say 15*l.* for one lot, and they might run from 15*l.* to 90*l.* and 95*l.*

2062. I suppose when the trustees of the Porchester Estate bought this farm they undertook themselves the examination of the title in the first instance?—Yes, that was so.

2063. And therefore in these later transactions the examination of title would not be required?—No.

Mr. *Tomlinson.*

2064. Do you think it would be an additional objection that registration would involve an additional cost to the present expenses; that is to say, that if a working man found that in addition to being required to take his contract and put his land on the register he had to pay a larger fee than the 10*s.* 6*d.* which he now pays, he would feel that an objection to registration?—They have expressed more disapproval of it themselves on account of want of privacy.

2065. What sort of transaction do the working men desire to be able to make?—They desire to keep

Mr. *Tomlinson*—continued.

keep their work to be done on the lines on which it is done at the present time, and has been done for some years past, so far as regards the transferring of deeds.

2066. Supposing a man buys one of these lots, and wants to build a cottage on it, what does he do: supposing he wants to raise money to build a cottage?—He might come to myself or you and say, "I am going to build a house; I have got so much money; I have 50*l.*; I want 70*l.* more. I will deposit my deeds with you; just give me a note"; and that would be the end of it till he could pay it back.

2067. And they like, as you say, privacy for transactions of that kind?—Yes.

Mr. *Greene.*

2068. You mentioned incidentally just now that the subject of registration had been mentioned at a meeting of shareholders; what was that?—It was talked over in conversation; it was mentioned among other business at the ordinary general meeting.

2069. Among the shareholders in your land society, do you mean?—Yes, of the different estates.

2070. How many persons would be represented by that discussion?—Some 600 to 700.

2071. Owners of these small plots?—Yes, that is one estate.

2072. But did they pass any resolution or express a view about it?—It did not come to that. It was thought desirable that we should not take any notice of the Transfer Bill; they would rather express themselves that they thought it would be better for them in their view to have their deeds, and that they could take care of them themselves; and, as I have said before, they seem to set great store by the little bit of parchment as the title deed.

2073. When did this occur, this mentioning it at a meeting of shareholders?—I may speak of several. I have been called in to give an opinion, say, for 10 miles round Nottingham so far as land is concerned.

2074. By different land societies?—Yes; not that I have been connected with them directly, but indirectly. I might go to Hucknall, Arnold, the Porchester estate, and then the Carnarvon estate.

2075. May I take it that there are a good many building estates around Nottingham?—Yes.

2076. Or in the county of Nottingham?—They are more garden allotments.

2077. Has the subject been brought before meetings of these land societies at which you have attended?—Yes.

2078. Has the view been invariably that they would prefer not to be brought under the Land Transfer Bill?—Yes.

2079. Have these meetings that you have attended been after the Bill has been introduced into the House?—No, not respecting a Bill at all, but merely in the ordinary business of the meeting it has come up in conversation; it might have been respecting some solicitor's work.

2080. They prefer their present system?—Yes.

Mr. *Greene*—continued.

2081. Can you tell me about what sized plots people generally purchase who belong to these land societies, and of what value they are?—There is not an estate where the land is all of one value. There is what one might term front land and back land; it runs in scales of charges, so far as the position may go. The front land might start as high on the Porchester estate as 3*s.*, and some few lots at 3*s.* 6*d.*; it goes down to 2*s.* 9*d.*, 2*s.* 6*d.*, 2*s.*, 1*s.* 9*d.*, and 1*s.* 6*d.*, and to 1*s.*, and even down to 4*d.* per yard.

2082. Then when a person purchases a plot, he takes a conveyance such as you have shown us here to-day?—Yes.

2083. Does that, generally speaking, contain a number of restrictive convenants forbidding the employment of that land or any building upon it, for certain trades of an obnoxious sort?—Yes.

2084. Then there are other covenants as to what they have got to keep up, such as fences, payments to the Corporation, and so on?—There are no payments to the Corporation.

2085. For water?—Yes, for water.

2086. And they have to preserve the building line, and there are restrictive covenants as to how they may build?—Yes.

2087. Is it felt that it would be difficult to record on a register any covenants of that kind without expense and inconvenience?—I should not like to say that.

Mr. *Ellis.*

2088. Your experience, I presume, is mainly derived from these Porchester and other garden allotments estates?—Yes.

2089. You mentioned two places in the constituency which I have the honour to represent, Hucknall and Arnold; have you been to meetings at those places?—I have been to meetings at Arnold more especially.

2090. What was the meeting at Arnold?—A shareholders' meeting.

2091. Of the land society?—Yes; I was there when the allotments were balloted for. I have taken part, as I have said before, in these land societies, being, as you might say, father of the scheme; that is how I have been called in, in and around Nottingham. I took it up before there was any land society, as I took great interest in the gardens belonging to Nottingham. Nottingham is noted for rose-growing and that kind of thing, and I took great interest in it when, I may say, as a member of the council at that time, I moved that we should not take these gardens, and did what I could for the garden holders.

2092. You and I are perfectly familiar, having known the place and one another for many years, with all that; what I wanted to get at rather was your representative capacity and as to your means of forming an opinion. Let us take Arnold: when did a meeting at Arnold take place in respect to this subject?—Not for some time now.

2093. But when (if I may press you); what do you mean by "some time"?—I was there on the night that the allotments were drawn for by ballot.

Mr. *Ellis*—continued.

2094. When was that?—Some two years ago.

2095. In 1893 you were at Arnold when the lots were drawn on a building estate; was that it?—It was more for gardens. I believe there is some property put on it now.

2096. Was there any formal discussion on the matter of land transfer then?—No.

2097. Then now I will take you to Hucknall; you are aware that I am speaking of what I am perfectly familiar with?—Yes.

2098. When were you at Hucknall?—I was not taking part in any debate at Hucknall, so far as land transfer is concerned.

2099. You would not come here to represent that the people of Hucknall are at all satisfied with the present system of land transfer, would you?—Yes.

2100. Do you?—I believe they are.

2101. You believe that the people of Hucknall are perfectly satisfied with the present system of land transfer?—No; I beg your pardon.

2102. You do not come here to assure the Committee of that?—No, decidedly not.

2103. Then you do not really wish to represent to the Committee that about Nottingham, which both of us are perfectly well acquainted with, the district of Nottingham is, broadly speaking, opposed to any improvement in the system of land transfer; I want to have your opinion?—I believe they are well satisfied as they are; and I have the authority, as I said before, of those who desire to say that they are.

2104. But I have carried you to Arnold and to Hucknall, and I have got your answer with regard to them; can you mention any other places where you think you represent the opinion as being favourable to the present system?—The Thorneywood Estate.

2105. I quite understand your capacity to represent to this Committee the land societies, the Porchester Estate, and the Thorneywood Estate, those have been absolutely successful; but with regard to the system of land transfer generally I was asking you?—There is the Carnarvon Estate, that is adjoining.

2106. I want you to go to where you or I have bought plots of land, which we both have done outside Nottingham and the district generally round Nottingham; do you wish to represent to this Committee that the public at large in that district is satisfied with the present system?—I do.

2107. Then on what experience is that based?—They seem satisfied; they think it is safer, so far as the deeds may go, than having certificates and that kind of thing.

2108. Should you be surprised to hear that I have received no communications against this Bill from my constituents; but, on the other hand, from the districts you are speaking of I have had requests urging me to support an improvement in the system?—That may be.

2109. You are aware that I represent the district in Parliament?—I know the district you represent very well, but at the same time those requests may come from a different source altogether than I have connection with.

2110. Can you point to any other specific occasions where you have had communications from people outside the three particular estates with which you are connected, and which you have specified?—I cannot point to any, except, as I say, casual conversation met with in the allotments.

Chairman.

2111. As I understand, some of these estates, the Carnarvon Estate, the Porchester Estate, and one or two others, are all in the position that was stated by the honourable gentleman the Member for the Strand Division, that is to say that the solicitors for the whole estate have first examined and satisfied themselves as to the title?—I do not quite follow you.

2112. On these different estates, in each case the solicitors have satisfied themselves about the title to the whole estate?—Yes.

2113. And then the estate is cut up, partly at least, into small pieces?—Yes.

2114. Then, of course, there is no fresh investigation of title about that?—No.

2115. That is the case with all the estates that you have spoken of?—Yes.

2116. And the thing can be done comparatively cheaply, 10*s.* 6*d.* at the lowest for a small plot, and then a little more?—Yes.

2117. And you find that satisfactory?—Yes.

2118. Of course they all have to take on trust, no doubt with perfect justice, that the solicitors are quite respectable and intelligent people, and have satisfied themselves about the title?—Yes.

2119. It is a well known title, I suppose, the Carnarvon title?—Yes.

2120. It is glebe from the Ecclesiastical Commissioners?—Yes.

2121. Do you not think, with your knowledge of land, that that is rather an exceptional case. Supposing that you and I were to go out into the country 10 miles from any point of the compass, and wanted to buy land, we should not come across such a simple case as that, should we?—I should not like to say that it would be so.

2122. Is not the evidence that you give, this: that you are satisfied with the system as you have seen it working on those estates?—Yes.

2123. Do you wish to state to the Committee that you are satisfied with the system generally as it works in other parts of the country?—I wish to state that I am well satisfied with it so far as it has come under my knowledge.

2124. That is quite fair. Have you ever been at any meeting, shareholders' meeting, or any other, at which any question has been raised, or any resolution put to the meeting about land transfer?—I have had no resolution put in any way about it.

2125. You have merely heard the casual conversation of gentlemen?—Yes, it has been talked over; there has been no resolution put upon it, to my knowledge.

2126. That is to say, a few people have expressed their opinions upon it?—Yes, they have expressed themselves as wishing things to stay as they are.

2127. Have you heard them expressing any resolution against registration of title?—No, I have not, no more than to say that they thought the

Chairman—continued.

the title-deeds were safer as they are, and that they would be kept more private.

2128. The view of the persons who have spoken to you seems to be that the title-deeds are safer, and there is more privacy under the present system?—Yes.

2129. Upon the point of safety, I suppose you yourself would not profess to be a judge whether in law they are or are not more safe?—I do not profess to understand the law.

2130. I do not suppose you profess to understand this Bill itself?—Most decidedly not.

2131. It is an intricate subject, you will agree?—Certainly.

2132. And you do not profess to know what it is that you think would be less safe?—In my own fancy I should consider parchment deeds a bit safer than I should have a certificate.

2133. Would it make any difference if the certificate were put on parchment?—I should not think so.

2134. You do not know anything at all, as a matter of fact, about the system that it is proposed to introduce?—No.

2135. Nothing at all?—No.

2136. Therefore you would admit that you cannot judge whether it would be safer or not?—Only from my own opinion.

2137. Who told you that it would be less safe?—They have not told me; it has been in conversation.

2138. Who was it that communicated to you these grave apprehensions, that it would be less safe if you did not have parchment deeds?—It might be in a room, the same as you gentlemen are in now; it might be a committee of working men.

2139. "Nothing like deeds, especially parchment deeds"; is that it?—Yes.

2140. You have been very fair and candid in your evidence, if I may say so; and you agree that you really are not an authority as to whether it would be safer or not?—I should not like to say so.

2141. The other objection that you made was that the privacy would be interfered with. I do not know whether you are aware that the existing law, and the Bill provide for the prevention of any intrusion into privacy?—No.

2142. If that is so, it would remove that ground of objection, would it not?—It would not alter my present views.

2143. Have you any objection to officialism?—I would rather be without it.

2144. Do you think that if there was to be registration of title it could be done otherwise than by an official system; have you ever heard how it has been done in Australia?—I have not. I have been told that it is very simple, but the Earl of Carnarvon said that he thought our system was the best.

2145. Has the Earl of Carnarvon expressed his opinion in any definite form?—Yes.

2146. Was it the late Earl?—Yes.

2147. Can you give us a reference to the book or paper in which he stated that opinion?—No; it was in conversation with the trustees.

2148. Was the opinion that he expressed that the system at work on his estate was as simple as the one in Australia?—Quite so; and he expressed himself as very much satisfied with it.

2149. That is the opinion that you referred to?—Yes.

Mr. *Tomlinson.*

2150. Did I rightly understand you to say that Lord Carnarvon expressed a preference for this system over the Australian system?—He expressed himself as being of opinion that our system is quite as good.

Mr. William James Bonser, called in; and Examined.

Mr. *Bolton.*

2151. I believe you have been for the past eight years the Chairman of the British Land Company, Limited?—Yes.

2152. And you have been a director of that company since the year 1874?—Yes.

2153. The company was established in the year 1856 for the purpose of acquiring and developing building estates in the United Kingdom, was it not?—Yes.

2154. But it took over a similar business that had been carried on since 1849, did it not?—Yes.

2155. From that time to the present time how many estates had been purchased and laid out for building?—A little over 390.

2156. Since 1849?—Yes, since 1849.

2157. Has that chiefly been for a small class of property?—Almost entirely; there are a few exceptions, of course.

2158. What has been the total value of the land sold by the present company from the time of its formation?—£4,047,643.

2159. On the occasion of a purchase by the company, and their reselling in lots, what is the

Mr. *Bolton*—continued.

practice?—When we have agreed to purchase an estate, our solicitors examine the title; after it has been conveyed to us we have it laid out in plots, construct roads and sewers, and sell the plots to different persons either by auction or private contract.

2160. And as to the conveyance of the plots, what is the cost?—We always give free conveyances. The greater part of this land is sold upon the instalment principle; that is to say, the purchaser can pay 10 per cent. down every half-year, 5 per cent. of the price, with interest at the rate of 5 per cent. on the balance. When he has paid the whole of the balance he has a free conveyance.

2161. And the company pay the cost of the conveyance?—Yes.

2162. What do they pay their solicitors?—For an ordinary conveyance we pay them 1*l.* 10*s.* with 2*s.* 6*d.* for the plan, that is 1*l.* 12*s.* 6*d.*, exclusive of Stamp Duty of course. That is independent of the size of the estate. In a register county it is 1*l.* 10*s.* and one guinea; that is 2*l.* 11*s.*

2163. That

Chairman.

2163. That is a registration of title county, Yorkshire and Middlesex?—Yes, in a register county.

Mr. *Bolton.*

2164. So that even in a register county the cost of conveyance exclusive of Stamp Duty does not exceed 2*l.* 11*s.*?—£2 11*s.* is the exact amount.

2165. And that is taken into account in fixing the price, of course?—Yes.

2166. Therefore the purchaser does pay this, but he pays it in the purchase-money?—Yes; he can have the title investigated in the usual way if he thinks proper, but it is very rarely that the purchaser wants it.

2167. You produce a specimen plan of the estate and a specimen conveyance, do you not?—Yes (*producing the same*).

2168. This conveyance is contained, or could be contained on the front of a sheet of draft paper, could it not?—Yes, they are not very bulky documents.

2169. They are very short?—Yes; I am sealing them every week, and therefore I know they are small pieces of parchment comparatively.

2170. You know that there is a Bill in Parliament to alter the system of title and transfer of property from the present system to a system of title on a register and transfer on a register with a public official as registrar?—Yes.

2171. Do you think that the present system under which you make your own arrangements with your solicitors to carry out these transactions at a fee such as you have described, and under which contracts and a deed are prepared by him and handed over to the purchaser, is a better system and a more convenient system for you than the system of entering the title on a register and transferring on a register?—It appears to me to be so, and I do not see how it can very well be improved upon.

2172. You prefer to have it done in your own way by your own solicitor rather than by a public official in a public office through the medium of a register?—Certainly.

2173. I believe that there are a very large number, even at the present moment, of contracts for free conveyances, in your company?—We are now liable to give between 3,000 and 4,000 conveyances to purchasers who have not paid the whole of the purchase money.

2174. And you prefer to carry that out through your own solicitors in the way that you are now doing rather than through a register in the way proposed by this Bill?—Certainly. I believe it would involve a very considerable expense as well to us, from what I have been able to see of it.

2175. There is no delay, is there, in the present system?—No, it is done in a very short time, two or three weeks, I think.

2176. And it is of considerable importance in carrying out transactions such as your company carries out that the business should be done promptly, is it not?—Yes; it is very important to builders, because, perhaps, they have their plant upon the ground and wish to begin immediately, so as not to lose any time.

Mr. *Bolton*—continued.

2177. Do you believe, as a man of business, having had a great many of these transactions, that the present system reasonably answers the requirements of persons dealing under it?—We have found it to do so, and I believe all our purchasers are satisfied with it.

2178. I believe that in selling land you put restrictions as to the line of frontage, and sometimes as to the value of the houses to be erected, and as to other matters, on your conveyances, do you not?—Yes, and in some places that there shall be no trades carried on, where we want to reserve a street or a road for private houses only.

2179. And those restrictions are included in mutual covenants, which run with the land?—Yes.

2180. And those covenants are included in the deeds of conveyance?—Yes.

2181. You have not, I suppose, looked into the details of this proposed scheme of land transfer?—I have looked into it, but I am not prepared to give an authoritative opinion upon it.

2182. But very frequently, when you have sold a plot of land, and given a man a contract for it, there are dealings with that contract before there is any actual conveyance, are there not?—Yes, very frequently.

2183. And in that case you simply cancel the contract (which is an agreement), and give the new purchaser, or the person with whom the original contract deals, a new contract?—Yes.

2184. And you charge a nominal fee for that?—Yes, a few shillings.

2185. And you deal in this matter with absolute freedom, with people coming to your office and dealing with you with these contracts?—Yes.

2186. And you are apprehensive, are you not, if you have to do all these transactions through a public office, and a public official, that however small a fee might be charged, you would be seriously embarrassed in your arrangements?—Yes, we should be embarrassed, and the business would no doubt be delayed.

2187. Of course, you know that, under this Bill, there is a system of caveats, notices, warnings, entries on the register, to give notice to other persons?—Yes, I have read about that in the Act.

2188. Do you not think that any system of caveats, warning people not to deal with particular plots of land, would be calculated, without giving any practical protection, to embarrass you?—Any complication would be embarrassing, and would injure our business.

2189. Do you look upon this public register and all the searches that might be necessary under it, with anything like apprehension?—I am not prepared to answer that question; but any additional difficulties thrown in the way of carrying out our business will be injurious to us and also to our purchasers.

2190. If you had to go to a public register in connection with all these dealings, there would have to be searching at the registry?—Yes, I presume so.

2191. And all that would involve expense and interfere with your business?—Yes.

2192. Do

Chairman.

2192. Do you really wish to give evidence upon that?—No, I do not think that I am competent to do so.

2193. I thought you said before that you were not prepared to give evidence upon the niceties of the Bill?—No, I was only expressing my opinion.

Mr. *Bolton.*

2194. I believe that many other land companies are carrying on business in the country in the same way as you carry on your business?—A great many, I believe, but I do not know much about them.

2195. Speaking generally, as a man of business having transactions in land and property, you consider that the present system of transfer by deeds in the way it is being worked, and having regard to the way it is worked in small transactions, is a reasonably efficient and economical system?—We have found it work exceedingly well for 40 years; we have had no difficulties, that I am aware of, of any kind.

2196. Have you any reason to complain of the expense connected with the investigation of title and land transfer?—No, I do not think we have. We should, of course, like it done for less money, if the solicitors could see their way to do that.

2197. But you have had no reason to complain?—No.

2198. I am not speaking of small transactions previously referred to, but to your general transactions in land?—No, I do not think we have had any reason to complain at all.

2199. Have you felt any anxiety or insecurity as to want of safety under the present system?—We have felt no insecurity, and we have had no case of forged deeds, and sustained no loss in consequence.

2200. You have never had a case of forged deeds or fraud, or a case in which loss has been sustained?—We have not had any difficulty or sustained any loss during the 40 years. I have been a shareholder from the formation of the company, and never heard of any difficulty of the kind arising.

2201. Are you reasonably satisfied with the present system?—Yes.

2202. And you do not see any reason to make the change which you understand is proposed by this Bill?—So far as I understand the change, I think it would be very much against our interests, and against the interests of our customers.

2203. You are not in favour of setting up a Government Department with Government officials to deal with this matter?—No.

2204. You prefer that it should be in the hands of private practitioners, and that people should be allowed to make their arrangements in their own way?—We prefer to transact our own business ourselves.

Mr. *Greene.*

2205. In what way do we understand, as you said, that it would involve your company in expense?—We have undertaken, and we are now liable to give between 3,000 and 4,000 conveyances, and I apprehend we should have to make those conveyances complete; and there are fees to be paid under the new Act; and I imagine that those fees would fall upon us.

Mr. *Greene*—continued.

Mr. *Tomlinson.*

2206. I suppose there are restrictive covenants generally in your purchase deeds?—Yes.

2207. And it would be necessary to preserve evidence of those covenants as to the user of the land?—Yes; sometimes we are compelled to enforce those covenants.

2208. At the instance of adjoining owners?—Yes, at the instance of adjoining owners, or in our own interest.

2209. That is to say, for the protection of those who have bought, it is necessary that you should maintain the binding character of the covenants?—Yes, because they buy upon the faith of those restrictions.

2210. You spoke of the charge for a plan being 2*s.* 6*d.*, I think; does that cover the cost of the surveyor in preparing the plan?—Our solicitors prepare the conveyance and plan, and we pay them 1*l.* 12*s.* 6*d.* for that, except in a register county where we pay 2*l.* 11*s.*

2211. You do not put the plan on the deed, do you?—Yes.

Mr. *Lambert.*

2212. Did I rightly understand you to say that your company pays for all the deeds and conveyances?—Yes, when we sell the land we agree to give a free conveyance unless the purchaser choose to have the title investigated, and the property conveyed in the usual way, when each party pays his own costs.

2213. Does not that tend to enable your company to convey land cheaper than an ordinary private individual could do, because you make a bargain with the solicitor?—Yes, that is one reason why people like to come to us to buy land.

2214. Therefore a private individual has not the same facilities for making a bargain with a solicitor in order to get the conveyance so cheaply;—I should imagine not.

2215. Therefore yours would be a special cost rather?—In that respect I suppose it would be.

Mr. *Haldane.*

2216. What is the average price of a plot of land purchased from you?—We generally set ours out in plots of about 20 or 16 feet frontage each. As to the price I cannot give you the average, but I should say from 40*l.* to 120*l.*; that is merely a rough idea.

2217. And for that you pay your solicitor 1*l.* 10*s.*?—Yes.

2218. Have you had your attention called to the scale of this land registry system of the 16th of January 1889, as to the cost of transfers in the registry?—I have seen it, but I have not mastered it.

2219. I will put it to you: You said I think 40*l.* to 120*l.* was about the price of plots of land?—Yes.

2220. "Exceeding 50*l.*, and not exceeding 100*l.*, ten shillings; exceeding 100*l.*, and not exceeding 200*l.*, fifteen shillings." That is for transfers of land from the register, and it includes

Mr. *Haldane*—continued.

cludes all fees for registering restrictive covenants. Does not that strike you as a good deal better than your 1*l.* 10*s.*?—If that includes all the other expenses that we should have to go to, certainly 10*s.* must be less than 1*l.* 10*s.*

2221. And there would be no necessity in the case of a company like yours, which conducts its transactions much in the same form, to employ a solicitor on all occasions; because if you could go to the register at all and make a transfer, you could go to the register and make the transfer with considerably less cost, if I am right in putting to you that scale, than under the present system?—If we can do for 10*s.* what now costs us 30*s.* it would, of course, be a considerable economy.

2222. You would improve your business, would you not?—No, but I imagine it would be 10*s.* in addition to the 30*s.*

2223. But supposing it is not so, it makes a considerable difference; why do you suppose it is in addition; let me put it to you and see if we can get it better; it is page 108 of the Land Registry Instructions; you will see the entry: "Fee Order of 16th January 1889"; and then if you look at the second line: "For Registration of Charges, and of Transfers of Land, and Charges if for value;" the fee, therefore, for the transfer of land not exceeding 50*l.* is 5*s.*; exceeding 50*l.* and not exceeding 100*l.* it is 10*s.*; exceeding 100*l.* and not exceeding 200*l.* it is 15*s.*: you notice that?—Yes, I see that table.

2224. If you turn over the page to 110 you will find in the middle of the page "For annexing conditions to land"; there is a nominal fee apparently of 1*l.* there; but if you look at Note 3 at the bottom of the page you will see that that fee is "remitted if required on the occasion of a registration for which an *ad valorem* fee is payable"; so that that fee of 1*l.* is not payable if the 10*s.* or 15*s.* is payable for registering the entry of the transfer?—I am afraid I am not in a position to answer your question there.

2225. I say if that is so?—I am certainly surprised to hear that all the charges upon conveyance of a piece of land not exceeding 50*l.* will be 5*s.* If that is to be the whole of the expenses I do not say it is not so.

2226. If it is so it is a great improvement on the present system, is it not?—If it is so.

2227. And that you had not thought of when you came here to give evidence?—No.

2228. Let me put a question to you: what you do now is when you buy a big estate you have the title pretty carefully investigated by your solicitor?—Yes.

2229. And, of course, you pay the solicitor for that?—Yes.

2230. Supposing you could have a title investigated for the same cost, and put it upon the register, then so far the two steps would be equivalent, and, so far as you were concerned, you would not care which way you took it. Then, after that you would have your surveyor and your secretary, and, in cases of legal difficulty, your solicitor; but in an ordinary case I take it your transactions very much run one after the other in the same form; is that not so?—In some respects; but each transaction that we have differs from others in various respects; in the title and in many respects.

2231. Not in the title, is it; because I thought you told the Committee that the title was taken by the purchaser?—I meant the title under which we purchase.

2232. That is investigated once for all?—Yes.

2233. But when that has been investigated and put on the register, then so far as regards what happens afterwards in the conveyances of plots forming part of the same estate, one transaction is very much like another, is it not?—I do not know the exact operation of this Act of Parliament, but I should certainly suppose, from my experience in other matters, that if it had to go to a public office there would be greater delay than there is now. The expense I am not prepared to question with you.

2234. The point about the expense is new to you?—Yes, in the way you put it.

2235. And it is only on the apprehension of delay that your misgiving now rests?—Yes, and complications altogether.

2236. What complications; have you ever transferred shares upon a stock register?—I think I have.

2237. Supposing you could do it as simply as that, you would not be afraid of the official in that case, would you?—No; but you are speaking now, I suppose, of conveyance to our purchaser.

2238. Yes?—I cannot help thinking, in spite of what you said, that there must be a great deal more expense, from what I have been able to see of the Act and these tables (I have looked them over, but I am not in a position to argue it) than you represent.

2239. But if I am right that shakes your opinion?—If you are right it shows me that it can be done more cheaply than we do it now. But there is one question I ought to mention; we have now a great number of estates partly sold, and it seems to me that in small plots like those of 16 feet it might be very difficult to put upon the plan the exact boundaries of those 16 feet. Because now a purchaser buys 16 feet, say, and perhaps encroaches three inches upon his neighbour's land; and it seems to me there would be great difficulty in that. But I was going to say, in reference to the number of estates, that we have now partly sold that. I am under the impression, rightly or wrongly, that before we could sell another plot of land we should have to register the title of all those plots which we have now in hand. That is the impression I have got, that my board have, at least, that before we could sell another plot of ground we must register the whole of those estates not yet all sold, because we do not buy an estate one day and sell it the next, but we may be months, and sometimes a few years, in finishing up an estate.

2240. It is not so, with great respect; you can register a part?—I imagine there would be as much difficulty to register a part.

Mr. *Wayman*.

2241. I suppose you have come here under the impression that the proposed system would not

Mr. *Wayman*—continued.

not only involve greater difficulties than the present system, but greater expense?—Yes.

2242. And if we can bring home to you that the expense will be lighter rather than greater, that would alter your opinion, would it not?—If it can be shown that the expense, and also the difficulty, is less under the new system than under the old, I do not see that any reasonable person could object to it.

Mr. *Tomlinson.*

2243. Just to clear up this point about the opinion of your board as to the necessity for registering, are you aware that the Bill provides that a person shall not under any conveyance on sale executed after the date of the Act acquire a legal estate in any freehold unless or until he is registered as the proprietor of the land; that is to say that no purchaser from you could get a legal estate unless he were so registered; does it not strike you that it would be very inconvenient for every sub-purchaser to go individually to a register to have his plot put on?—Yes. In a plan here all the parts coloured pink are sold, and the others are not sold. We are under the impression that all those that are not now sold we should have to register before we could sell again.

2244. Practically in order to evade the difficulty every small purchaser would have to go to the register?—Yes, or each purchaser of 20-feet frontage would have to go and register.

Mr. *Bolton.*

2245. Do you not think it would be necessary, if you had transfer under the register, to register all your unsold land so that you might identify each plot that you sold?—That is what I wished to explain.

2246. Otherwise how would it be possible for you to sell, plot by plot, unless you had the whole of your land on the register?—That is what I endeavoured to point out. I say that those parts coloured red are sold, those coloured white are not sold, and we think that before we can sell any not coloured we shall be obliged to register it.

2247. Register the whole of the unsold land?—Yes, register the whole of the unsold land.

2248. Would it not otherwise be practically impossible to sell it plot by plot and register it plot by plot?—I do not know about impossible; it would be an enormous undertaking, and an enormous expense.

2249. If you did sell and register it, plot by plot, without a previous registration of the whole, would it be possible, practically, afterwards to identify the plots?—I do not know how it could be done.

2250. Therefore, for the purpose of identity you must in dealing with estates like yours put all your unsold land on the register in the first instance?—Yes, that is what we feel.

2251. And then deal with it plot by plot afterwards?—Yes.

Chairman.

2252. I understand that you do not profess a knowledge of the law?—No.

2253. You do not belong to the law in any sense?—No.

Chairman—continued.

2254. And your properties have been dealt with in this way. You, in the first place, buy a whole property up and have your title investigated?—Yes.

2255. And then you sell strip by strip?—Yes.

2256. And, of course, your solicitor knows the title, having once investigated it?—Yes.

2257. There is no investigation of title by the buyer at all; the deeds are practically in the same form, are they not?—Yes.

2258. They are in a printed form?—Yes.

2259. And they average from 40*l.* to 120*l.* in value?—Yes.

2260. What do you pay the solicitor 1*l.* 10*s.* on each occasion for; what do you suppose he does; he fills in the deed, I suppose?—For, I suppose, going into the thing carefully, and seeing that we do not make a mistake and convey two plots twice over, or anything of that kind.

2261. You told us that you think that the system of registration would injure you and your customers; may I ask: Have you studied what the system of registration is that you are speaking of?—No, I say that I have not gone thoroughly into it.

2262. To what extent have you gave into it; you told the honourable Member for St. Pancras that the change would injure you and your customers; what is the study you have given to the subject?—I understand that, in the first place, all the unsold land which we now hold we should have to register.

2263. At once you mean?—At once, before we could sell any more. Then when we sell each plot our conveyances would have to be registered which would cause delay. I believe there is always delay with a public official; that has been my little experience in these matters; instead of getting the thing right through as now. The fees to pay would, I imagine, be in addition to our present practice.

2264. So your view is, that there would be delay inseparable from any official department?—I am afraid that is the rule.

2265. And the other objection is, that you would require to incur all the expense that you go through now, together with additional fees besides?—Yes.

2266. That is the view you take?—Yes.

2267. That is the basis of your opinion?—Yes.

2268. And, as was asked you by one honourable Member, you yourself have not studied the Bill to enable you to say whether that is a just opinion or not?—I have read the Bill through, but I am not in the profession, and do not profess to be able to argue matters of law with gentlemen like yourself.

2269. One question about the boundaries in the plan, because I did not follow. What is your difficulty. You said that you would have to register at once all the unsold land. Why should you have to do that? Do you think the Bill says so?—I do not think we should be able to sell it until we had. If people might go and have a registered title they might think it superior to the other one; they would want ours to be the same.

Chairman—continued.

2270. You mean that the demand for a registered title by the purchasers would be such that you would have to comply with it?—I think they would say: "If the title has to be registered we should like to buy under a proper registered title, to begin with."

2271. Do you know that the Bill proposes only that upon a sale of land the land is to be registered?—Yes, I have read that.

2272. Then I do not quite follow your reasoning. You have evidently got some apprehension in your mind. You think that if you are going to sell 16 feet frontage, before doing that you would have to register the whole, and that might be 20 acres?—I presume we might register the whole 20 acres or the 16 feet; but if we had to register every 16 feet we sold, it would be a difficult task.

Chairman—continued.

2273. What is the difficulty if your title was an absolute one?—Because I should imagine that in the case of each 16 feet we sold and wished to register, the whole title would have to be investigated for each separately. For instance, I have got Lot 1079; if a Government Department investigated that and said it was a good title for Lot 1079, I do not think that would satisfy a man wanting to purchase Lot 1050.

2274. But supposing on the sale the fee for 50*l.* was what Mr. Haldane put to you, namely, 10*s.*, would that affect your judgment?—It seems to me too good to be true.

Mr. Arthur Russell, called in; and Examined.

Mr. *Bolton.*

2275. You are a member of the firm of Russell and Co., Solicitors, 59, Coleman-street?—Yes.

2276. You are solicitors for two large building societies, I think?—For a land company and a large building society.

2277. For the British Land Company and a large building society?—Yes.

2278. I think you have prepared some tables, have you not?—Yes.

2279. What do those tables show?—I have not got them with me.

2280. You have heard the evidence given by the last witness, who is the chairman of your company?—Yes.

2281. You concur, I suppose, with him as to the mode in which the company buy and sell land?—Yes, I think he has correctly stated that.

2282. You heard the last questions that were put to him; do you think it would be practically possible to work the transfer of land on the register, without registering, in the first instance, all your unsold estates?—It is very difficult to say which would be the better way of going to work; either would involve immense labour. Speaking of those estates which are partly worked out, if we register the title to the unsold and unconveyed parts, there will be an immense difficulty, I think, in satisfying the officials as to the boundaries of the land the title of which is to be registered, and in identifying the various lots.

2283. And if you do not?—One difficulty is that the maps will be, I think, on a different scale altogether from those which, as I read the rules and directions, are used at the registry.

2284. Your present maps are not in accordance with the Ordnance maps?—No, they are on a very much larger scale.

2285. But it would be very difficult, if not practically impossible, would it not, to apply this Bill to your estates unless you registered, in the first instance, all your unsold land?—I think it would; I have thought it over a good deal, and I think it would.

2286. Would it be very difficult indeed, if not practically impossible, to sell plot by plot of your land on the register, and to deal with it in the way of transfer on the register, difficult to identify it if you sold it plot by plot unless you previously registered the whole?—I am afraid I do not follow you.

Mr. *Bolton*—continued.

2287. The suggestion is that you need not register all your unsold land, because you would have only to register from time to time the plots as they were sold?—It would be multiplying the work over and over again if we did that. The title to an estate, of course, is practically the same; sometimes it comes to us under several titles, but to a large extent the title is the same. If we have to register the title to a small plot, and then go over that work again for other plots, it will be multiplying work very much.

2288. And would it not be very difficult to identify the plots if they were sold in the way proposed only plot by plot?—Yes, I think so.

2289. Would you not therefore be of necessity practically driven to register all the unsold land on each of your estates?—I think so.

2290. To put, in fact, your title in the first instance on the register with full plans, and then deal with the land plot by plot afterwards?—I think practically we should be bound to do that, because it is a cardinal principle of the company's business to give their purchasers a free conveyance, to pay for the assurance, whatever the form of assurance may be.

2291. You have heard the statement made by the last witness as to the charges that you make for these conveyances; I suppose the statement is correct?—Yes.

2292. The learned chairman asked the last witness what you did for the charge; would you kindly tell the Committee?—We draw a plan, we draw a deed, we engross that deed, put a plan upon it, stamp the deed, and, when it is necessary, register it.

2293. You have correspondence with the parties, I suppose?—Correspondence with the purchaser, attending him and completing the transaction.

2294. The responsibility of dealing with the transaction rests with you?—Yes, certainly.

2295. And you do all that for this small fee of 30*s.*?—32*s.* 6*d.* in a non-register county.

2296. Are

Mr. *Bolton*—continued.

2296. Are you paid partly for the responsibility in carrying out the transaction?—Yes, I presume so. I am responsible.

2297. But in each of these transactions I take it that you receive instructions either by letter or by personal communication?—Yes

2298. You communicate with the parties interested either by letter or otherwise?—Yes.

2299. Sometimes there are several letters in each transaction?—Yes.

2300. If the purchaser employs a solicitor you communicate with him and satisfy him?—That is not quite correct. If another solicitor intervenes and puts the company to more expense than they would incur if the matter were wholly carried out in our office, that is chargeable to the purchaser.

2301. But assuming you carry out the whole transaction, in addition to being in communication with the parties and arranging the business, you prepare a document, and you attend on the completion of the transaction?—Yes.

2302. You see that the plan is correct, you check it with the estate plans, and you have the responsibility of the whole matter?—Yes, we are responsible for the plans as well as the deeds.

2303. Have you heard any complaint as to the amount of the charges that have been made?—No; the charge was fixed in 1849, and since then the work, far from becoming easier, has become more difficult and complicated by reason of the voluminous nature of the restrictions.

2304. Have you had any complaint that the law expenses in these transactions are unreasonably large?—No.

2305. Have you had any cases, in your knowledge, of fraud or mistake or of loss in connection with the various estates and properties you have had to deal with?—No.

2306. Therefore there is no insecurity of title in dealing with property under the system so far as regards your work?—There has been none proved in connection with the company.

2307. I believe you have had some experience of an estate on the register, registered with an indefeasible title, have you not?—My firm registered an estate with an indefeasible title under the Act of 1862.

2308. Was that satisfactory?—No. When the title was registered, or even long before it was registered, the client had got thoroughly sick of it, and he wished afterwards he had not incurred the expense and trouble.

2309. But there was one estate in which it was registered and afterwards found to be liable to certain rights of commonage?—There was one estate in connection with the land company who bought the estate with the title already registered; the only purchase of that kind ever made.

2310. What was that; under what Act was it registered?—That was under the Act of 1862, I think; but I fancy it will be seen that this point will arise under either Act.

2311. Was not there, I will not say a mistake, but an oversight there, or was not the company fixed with some easement which they never had

Mr. *Bolton*—continued.

anticipated?—Yes; the estate turned out to be subject to forestal rights, and rights of intercommonage, against which the registration of title was no protection. Part of the estate was thrown open into the forest, and parts of it had to be paid for; the title had to be quieted, as it was termed.

2312. In that case, therefore, registration was of no advantage to your company?—No. Of course I am quite aware that the Act declared that those particular rights were not encumbrances; but it is very singular that the only experience the company have ever had of registration of title should be so unfortunate.

2313. Speaking as a lawyer, your experience with reference to this proposed system of registration, I gather, leads you to the conclusion that this system of registration by transfer on the register would be no improvement?—I do not think it would be any. I think, at all events in small transactions, it would greatly increase the trouble, and probably, in some cases also the expense, connected with the land company's conveyances. I am of opinion that a separate deed would be necessary on account of the restrictive covenants. The registry rules, I understand, say that only covenants of a certain class can be entered on the register, and many of our covenants involve the performance of duties and the expenditure of money; and those covenants, as I understand, could not be entered on the register. In my opinion it would be expedient to have those covenants embodied in a separate deed, and that deed would, of course, have to be paid for.

2314. Do you think that the people who deal in these small properties that you create, carving them out of larger estates, are reasonably satisfied with the present system and the cost of it?—Yes.

2315. Have you ever heard of any complaints?—No.

2316. Do you not think that the present system works efficiently, and with reasonable economy and promptness?—Yes, and especially as regards promptness.

2317. Do you, or do you not, think that the system of a Government office with an official with transfers and with plans and all the elaborations necessarily associated with it, is any improvement whatever on the present system?—I do not think it is.

2318. Of course there would have to be very careful surveys and accurate plans made for the purpose of this register?—Undoubtedly.

2319. Would not the surveyors get the benefit of what the lawyers would lose, and so the public get no advantage?—Probably they would, partly. I think there would be considerable work for a surveyor.

2320. Do you not think there would be a great deal more cost in surveys and plans with this proposed system?—I think there would.

2321. Looking upon the whole proposal, do you consider, speaking as a lawyer, a man practically acquainted with land, and specially small transactions, that the system which is proposed

Mr. *Bolton*—continued.

to be set up under this Bill is any improvement whatever on the present system of the transfer of land?—I do not think it is.

2322. Do you think it can be more economical?—It might be in some cases.

2323. In the generality of cases do you think it would be?—I do not think in the generality of cases it would.

2324. Or in the very small cases?—Where there is one simple case such as seems to be in the mind of the framers of the Act, there are a hundred other cases where there are some sources of complication.

2325. And do you think that a system such as this is suitable for the ordinary transactions of the business life of this country in land?—No, I do not. I think we should have a very great deal of difficulty by reason of the continual resort which would be necessary to the register office. At the present time parties complete their transactions, or the transactions are completed at the office of one or other of the solicitors, and sometimes two or three transactions are completed simultaneously, it may be a sale and a mortgage; and that is all completed together. And the land is perhaps situated a great distance away from the place where it is convenient for the parties to complete. If it is necessary, as I apprehend it will be, to have several communications with the registry, which is to be local, as I gather, that will involve considerable trouble to the solicitors or to the parties concerned if they do their own work. At present we can deal in London with property in any part of the kingdom, and of course in York or anywhere else.

2326. You think that the intervention of a Government Department and a Government official would be a disadvantage rather than an advantage?—Yes. *That* (*handing in the same*) is a specimen of an actual conveyance.

2327. The deed which you put in is a short deed on one skin of parchment?—Yes; that is the deed. The other document which Mr. Bonser put in was only a form of draft, I believe.

Mr. *Smith*.

2328. Supposing the property of your company came under the operation of this Act, and they thought it was the best course to register all the unsold land, as I think you suggested would be the best course yourself, do you think that the cost of the small transfers, after the registration of the whole property, would be as great as it is now?—Yes, I think so; for this one reason at all events: that I do not see how it would be possible to dispense with deeds of covenant, or, as suggested by some competent conveyancers, that there should be a conveyance which should be followed by registration.

2329. Why would it not be possible to dispense with the deeds of covenant?—Because some of the covenants, I understand, cannot be entered on the register.

2330. That is to say, some restrictions?—Yes, some restrictive covenants; covenants involving the expenditure of money.

2331. Would that apply more especially to

Mr. *Smith*—continued.

transferring land with land companies?—It applies to all building estates, no matter whether laid out by land companies or by private individuals. There are, among others, covenants in our deeds by the purchaser to contribute to the expense of keeping the roads in repair till they are taken over by the local authority.

2332. I think you said that you also thought that the expense with regard to maps and plans would be considerably greater. Do you put a plan on your deeds at the present time?—Yes, every conveyance has a plan upon it, for which we charge the company 2*s.* 6*d.*; that is for drawing the plan and putting it on the engrossment.

2333. But you think if the plan were required by the Land Registry Office the expense would be greater for the plan?—First of all, the plan would have to be originated. We draw the plan, and put it on the deed.

2334. If I understand, you draw the plan now on the present conveyance?—Yes; but if the transfer was made at the registry the register office would have to be supplied with a plan to start with.

2335. But you would only have to supply one plan, and you supply one plan now, I understand; you would not have to supply more plans in the case of the registry office?—Part of the instructions to the registry would consist of a plan of the land to be conveyed; the conveyances do not by any means comprise one lot or any number of lots; they comprise, say, one lot or five lots or portions of lots.

2336. You consider that the registry office would require more plans?—No; I was going to say that, in addition to the fees actually charged at the registry for the plans, the registry would have to be supplied in the first instance with the plan.

2337. I think you mean to say that you would, as now, have to supply the plan to the registry office?—Or the company would; the client would.

2338. Which they would use for their own purposes?—Yes.

2339. And the registry office, under their rules, would make a charge for the plan which they produced after consulting the plan given to them by you?—Yes.

2340. One question about the Ordnance map. I forget whether you or the last witness said that you do not use the Ordnance scale in constructing your plans?—No, we use various scales; they depend upon the surveyor when he lays it out; but all our plans are considerably larger than the Ordnance scale.

2341. Larger than the 6-inch?—Larger than the 25-inch scale.

Mr. *Seale-Hayne*.

2342. As I understand, the company purhase estates and sell them in small lots?—Yes.

2343. You make one investigation of title, and, having done that, the purchasers are content with your common form?—In most cases. We offer everybody the option of investigating the title if he pleases.

2344. But

Mr. *Seale-Hayne*—continued.

2344. But the large majority are quite content with your common form?—Yes.

2345. In point of fact you do for those who purchase from you, very similar functions to what the proposed registry office will do for purchasers, from among the public at large?—Yes.

2346. Has there been any objection amongst the purchasers to your system?—No.

2347. Then why should they object to a public registry office performing those functions at a less scale of charge than you charge in your companies?—I do not know that they would object to its being done at a less scale.

2348. Have your purchasers evinced any burning desire for large bundles of deeds?—I do not know.

2349. They are content with your common form transaction?—The only document they start with, of course, is the conveyance from the company. As years go on, of course, the documents accumulate.

2350. But when you sell, you have a common form which is made use of, and that satisfies your clients?—I do not quite understand what is meant by a common form. The forms differ very much with every estate, at least for one estate from another, and for different parts of the same estate. It is not so ready cut and dried as people might suppose.

2351. Then your company does not sell with a common form of conveyance, similar to that produced by the previous witness, the witness who produced the form of conveyance?—I think it is incorrect to say that he produced a form of conveyance.

2352. It certainly was passed round the table as such; however, that is not the practice in your case?—No; I am concerned for the company of which the last witness is chairman; but I think a little misapprehension existed as to what the document he handed in was.

Mr. *Tomlinson.*

2353. As I understand it was this: the first part of the conveyance is in common form, that is arrived at by putting all the special things into the schedule; and each deed differs, so far as it does differ, not in the form part at the beginning, but in the schedule?—It may differ in the form.

Chairman.

2354. It is common form with different covenants; that is it, is it not?—Yes, you might take it so.

Mr. *Seale-Hayne.*

2355. This is what I wanted to ask you; has there been any objection on the part of purchasers to your system of land transfer?—No, on the contrary it seems to be very popular.

2356. Then why should it not be popular when the same system is carried out by a registry office?—I do not think I can answer that.

Mr. *Tomlinson.*

2357. I suppose you would not admit that it is the same system?—No.

2358. In fact to go to these covenants, every conveyance you make is subject to restrictive covenants?—Yes.

2359. And whether land were registered or not those covenants have to be put in some form or other?—Yes.

2360. And somebody has to see that those covenants are correct?—Yes.

2361. And of course a registrar could not do that?—No, I do not think he could.

2362. So that where the sale of a building plot has to be carried through there must be something outside the register?—Yes.

2363. Somebody has to see that that thing is in proper form and carries out the intention of the parties?—Yes.

2364. And I presume somebody will have to be paid for seeing to that?—No doubt.

2365. Therefore the scale you have there does not represent the cost of such a transaction as the sub-sale of a registered estate?—No.

Mr. *Greene.*

2366. Some of the covenants may run with the land, and some may be personal?—Yes.

2367. And it becomes necessary to have a separate document, separate from the register at all events, showing those personal covenants?—Yes, and then there is one other point with respect to those restrictive covenants. It would not do on registering a title to an estate to register at the same time the restrictive covenants, because the company, at all events, and I imagine other estate owners, do not want to bind the land so far in advance; they want to retain a free hand as long as they can. If they find that a portion of the estate is selling, they apply certain restrictions to that, but not necessarily to the whole estate; they may come to another area, and apply another set of restrictions altogether.

2368. Can you give us a concrete example; do you refer to such a thing as the erection of a public-house?—Or the value of the houses; they vary very much on the same estate. Sometimes it is found that the value has been put a little too high, that we have mistaken the character of the land we have got, and in offering the remainder of the estate we lower the value; or it may be that part is suitable for shop property, and part is not.

Mr. *Tomlinson.*

2369. Or for manufacturing purposes?—Yes.

Mr. *Greene*

2370. You have spoken of one estate, and I do not know whether it has been made clear, but I believe that the gentleman who preceded you in the witness box was the chairman of the company of which you are the solicitor?—Yes.

2371. You are also connected with some other company, I think?—A large building society, the National Freehold Land and Building Society.

2372. Where does that carry on business?—At 25, Moorgate-street.

2373. Has that society land in various parts of England?—No; it is a building society; but its business, so far as this question is concerned,

Mr. *Greene*—continued.

concerned, is lending money upon house property.

2374. Your evidence up to the time that I am asking questions has been mainly with regard to the land company of which that other gentleman was chairman?—Yes.

2375. Have you any experience that you can bring to us specially in regard to the building society; can you tell us what is their view of this question?—I do not know what their view is.

2376. Speaking as solicitor for them, what would you say of the introduction of a compulsory system of land registration?—I should say that it would be far less satisfactory than the present system.

2377. Can you give any reason applicable to the condition of a building society for the opinion which you hold?—The scale of charges is very moderate.

2378. I will not trouble you with too much detail; we will take it that the expense would be more?—I think the expense would be more. The conditions at present allowable for building societies' mortgages according to the registry forms would not meet our business at all.

2379. If compulsory registration were to be adopted of a possessory title you mean?—Yes; our terms of lending are not upon those lines, and they vary very much. We try to adapt our repayments and our mortgage provisions altogether to our customers' requirements.

2380. But in what way; perhaps you will kindly tell us; do you think that the compulsory registration of a possessory title would check the transmission of land in the hands of persons connected with the building societies or injure your building society?—Are you speaking of the measure rather from the point of view of people who buy through building societies, with the aid of building societies?

2381. Yes, I was wanting to elicit, for my own information at all events, in what way building societies and those who take part in them would be affected injuriously if this measure should pass?—They would be affected, and I think very much by the cost, because building societies as a rule, or rather their solicitors, carry through the purchase and mortgage for a very small sum. In very many instances the person who goes to a building society to borrow money puts the matter of his purchase into the hands of the society's solicitor, and the building societies as a rule prescribe a very small fee for the preparation of the purchase deed and investigation of title.

2382. You mean that if the expense were increased by the expense of the registry that would check the transaction?—I think so; and the point I have already referred to seems to me to be important in that connection. At the present time many building societies' transactions are carried through entirely by the solicitor of the building society without anybody else being concerned. I know it is so in the case of every building society almost, not only the one I have to deal with. The trouble and expense of communicating with the local registries would be very great, I think.

2383. May I take it that people who purchase houses through a building society are not restricted as to the locality where they may purchase?—That is so.

Mr. *Greene*—continued.

2384. Then, if there were separate registries all over the country, and a building society in London, would this involve communication with various local registries?—Yes, the society for which I act has made large loans in all parts of the country.

2385. Do the persons who have had transactions with you reside in the country, or have they been in London mainly?—Sometimes in London, sometimes in the country.

2386. And you think that the search in different districts and so on would hamper the business of the society?—It would make our work more difficult, I think.

2387. Can you tell me how many transactions pass through your hands during the course of a year, as solicitor to that society?—Of course their business varies from year to year.

2388. What is the amount of the purchases as a rule?—Of loans?

2389. Yes, of loans?—Anything between 50*l.* and 100,000*l.*

2390. Those large transactions do not often occur, I suppose?—Not often.

2391. They may be small transactions of 200*l.* or 300*l.*?—Yes. From 200*l.* to 700*l.*, or 800*l.* or 1,000*l.*

2392. Have you elicited any general opinion or the opinion of your clients at all with reference to the effect of this measure if it should pass?—I have made no systematic attempt to elicit their opinion, but sometimes, casually, in conversation the subject has been mentioned.

2393. Do you find that your clients object to compulsory registration?—Yes, I remember on several occasions that they have fancied that it would not be an improvement. There seems at all events to be the apprehension, rightly or wrongly, that it will be more or less public and more dilatory.

Mr. *Warmington.*

2394. I want to ask you this: after you have bought an estate you have what is called the ground plan, or a plan?—Yes, the surveyor has the plan and prepares the plan.

2395. And from that, in the subsequent transactions, you never depart; there is no new plan for each plot, it is only a piece of the old plan?—That is not always so.

2396. But it is generally so?—Yes.

2397. It would be very dangerous otherwise, would it not?—No. Supposing a person buys a portion of a lot, or a portion of four or five lots.

2398. Take this very conveyance, which you have handed in; I see there are portions of two lots, but, if you look there, you will see that reference is made to the original plan of 1883, although the conveyance is dated 1895?—Yes.

2399. That is the usual mode of proceeding, is it not; you identify the piece of land that you sell in 1895, as a piece of the land which is delineated upon the original plan, as I call it, of 1883?—Yes.

2400. Then if you wanted to register now you would

Mr. *Warmington*—continued.

would register, I suppose, the unsold portions?—Yes.

2401. In order to enable you to give a free conveyance to your purchaser?—Yes.

2402. Where would be the difficulty, after you had become the registered owner, in selling a small plot, except in regard to the restrictive covenants about which I will ask you a question: it is very simple, is it not?—There would be at least as much trouble as there is now, and continual journeys to the registry office.

2403. About the restrictive covenants, you understand that they cannot be put upon the register as encumbrances, I suppose you mean?—Yes.

2404. Do you know whether there is any machinery by which a notice of restrictive covenants can be placed upon the register by way of caution?—I imagine there is.

2405. I should like to ask your opinion, then, upon this: supposing that a system of registration was to be set up, do you think it would be advisable that the restrictive covenants to which you allude should be recognised as encumbrances?—I think it would be desirable, certainly.

Chairman.

2406. I do not understand that you tell us that you regard yourself as an authority upon the general public opinion on this subject?—No.

2407. You did not give evidence about that?—No.

2408. Of course it is a very technical subject, as you and I are well aware?—Yes.

2409. Do you not think that the opinion expressed by a layman, who had not studied it, would largely be coloured by the opinion of any competent adviser whom he happened to have confidence in. I mean that no layman, without instruction, can understand this subject; do you not agree?—Certainly.

2410. You do not, as I understand, say either that the building societies have any objection to the registration of title that you know of?—I cannot speak either way upon that. I have no knowledge of the opinions of the directors of building societies.

2411. That is perfectly fair. The next thing I want to ask is about these land companies and their operations, if you will kindly enlighten me. If you have, say, 100 acres of an estate which is left unsold at the present moment, and you want to sell a plot of 20 feet frontage in a particular road, what is the difficulty of your registering that transaction?—It is not impossible; I do not think it has been suggested that it is.

2412. But what is the greater difficulty of registering that transaction than of registering any other transaction in the sale of land?—It is this: The purchaser, or the company on his behalf, must register the title to that particular plot, and, of course, the question arises, With what title is it to be registered, only with a possessory title, or an absolute or a qualifying title.

2413. You do not quite follow me. Supposing that you have now got a title to the remaining 100 acres of a particular estate (you have got the title yourself, and know it), and you have sold all the rest of the property under what I may call the common form of conveyances, with variations of covenants, and let us suppose that this Bill becomes law to-morrow, then, if you want to sell a piece of land of 20 feet frontage out of the 100 acres that remains to you of that estate, what is the difficulty of registering that transaction as an isolated transaction: I do not want, I assure you, in the least to confuse you. You told us that you felt that you would have to register the whole of the remaining 100 acres, even though you did not at once sell the whole. Will you explain to me why?—Because I think the registration of the whole *en bloc* would be simpler than the registration of the same land piecemeal.

Chairman—continued.

2414. You mean that it would be a simpler business transaction to take the title once for all of the whole 100 acres and take it to the registry office, and then allow the other transactions to be carved out of it?—Yes.

2415. It is not that there is any greater difficulty in selling one piece of land more than the other, but merely that it would simplify the transaction?—Yes.

2416. You said something also about maps and plans creating a difficulty in registration; but there might be maps and plans in every deed of conveyance; at least there ought to be a plan, ought there not?—Yes.

2417. And there is just the same difficulty in inscribing a plan upon a conveyance as in inscribing a plan upon a register, is there not?—Yes.

2418. Except that the register does not permit of sub-sales being inserted and other descriptive matters?—Yes.

2419. And you agree with what Mr. Wolstenholme said, that it would be better to make a fuller description of the land in the register?—Yes.

2420. If that were done, do you think there would be any greater difficulty in laying down boundaries upon a register than in laying down boundaries upon a conveyance?—Not necessarily, provided the registrar would allow of the use of maps upon a proper scale.

2421. You mean that it is a question of having the scale enlarged upon a small piece of land?—Yes; I think that is pretty much the question.

2422. But in these small transactions with 16 or 20-feet frontage you probably number them No. so-and-so, in such-and-such a road, with a fence between one and the next?—Usually at the time the land is conveyed it would be unfenced; it would be for the purchasers to put up the fences.

2423. It would be a question of measurement?—Yes.

2424. About restrictive covenants, is it not the case that restrictive covenants which run with the land may be placed upon the register?—Yes, I understand so.

2425. And restrictive covenants that do not run with the land are restrictive covenants which are only personal contracts, and have nothing to do with the land; at least, are not binding upon the land in any way?—Yes.

 2426. So

Chairman—continued.

2426. So that you would not allow them to have any restrictive covenant that did not run with the land. It would be very foolish to put that upon the land register, would it not?—I think, although with the law as it at present stands, those covenants do not run with the land, it is advisable that they should.

2427. Then, you would alter the general law as to what should, and what should not, run with the land?—Yes.

2428. That is rather a large question, is it not? In order to explain to the lay members of the Committee the difference between the two, I will ask you this question: If I buy a piece of land with notice that my predecessor has covenanted that he will not use it as a public-house, that is a covenant that is binding upon me, though I did not make the covenant, because I bought the land with a knowledge of it?—Yes.

2429. And so it would be with any other person who bought the land with the knowledge of that?—Yes.

Chairman—continued.

2430. That is a covenant running with the land, as it is called?—Yes.

2431. But supposing that I made a covenant purely of a personal nature, although it might relate to the land, but was not part of the tenure of the land, that would not bind anybody but me?—That is so.

2432. And that is the difference between the two?—Yes.

2433. And you would like to see the difference rather altered?—Yes.

2434. Would you give us the registered cases that you spoke of. You spoke of some cases under the Registration Act, about which difficulties have arisen. I want very much to get those to see if any cases are proved of neglect or delay, or anything of that sort, so that we may sift it. Would you mind telling us the names of those cases?—I cannot at the moment recollect the names.

2435. Will you be kind enough to write me a letter enclosing them?—Yes.

Mr. GEORGE WILLIAM MARSDEN, called in; and Examined.

Mr. *Bolton.*

2436. YOU are, I believe, a solicitor practising at 14, Great St. Thomas' Apostle, in the City of London, and 51, Church-street, Camberwell, in the County of Surrey?—Yes.

2437. And you have had considerable experience, I think, in dealing with small properties in the suburbs of London?—I have been doing nothing else for the last 25 years.

2438. You act, I believe, on behalf of a number of gentlemen who deal in house property; particularly small property in the suburbs of London, which are sold to working men and others for their own occupation?—That is my principal business.

2439. And you act for several building societies?—Yes, six.

2440. The London and Westminster Building Society, which has been established now for over 40 years; the London Benefit Building Society, also established for 40 years; the Camberwell and South London Building Society, established about 20 years; the United Friendly Societies' Building Society, established about 15 years; the Pioneer Building Society, established about 10 years; and the London Friendly Institution, established over 100 years?—That is so.

2440.* I believe that a large amount of the business of those building societies consists of advancing money in small sums varying from 200*l.* to 300*l.*?—Yes, to artizans for the purpose of buying their own houses for occupation.

2441. What are the costs that you charge in those cases?—For purchase deeds up to 400*l.*, 3*l.* 3*s.*; and for mortgages up to 500*l.*, 3*l.* 3*s.*

2442. Is that an inclusive sum?—Yes, with the exception of stamp duty, or any fee which might be payable to the freeholder under covenants in the lease.

2443. Does that include investigating the title?—Yes, it includes everything.

2444. So that a working man can purchase his house at a cost of from 2*l.* to 3*l.*?—£3 3*s.* if he does not require a mortgage on the transaction; 6*l.* 6*s.* if he requires a mortgage in addition to the purchase deed, assuming that it is not in the Middlesex Registry, when it would be more.

Mr. *Bolton*—continued.

2445. Are those transactions carried out promptly?—It is not an uncommon thing, when I act for vendor and purchaser, to receive instructions on one day and to complete them the next, or within a day or two at the outside.

2446. Have you ever had any complaints about delay, or expense, or anything of that kind, from any of the many people for whom you have acted?—No; and you may take it that, in the ordinary way, when a man buys his house through a building society, he can take his prospectus and tell to a shilling or two what the costs will be.

2447. Do you think that a system of land title on a register and land transfer on registration, such as is proposed by the Bill, would be any improvement upon the present system. I suppose you have read the Bill?—Yes; I have read the Bill, although I do not pretend to have studied it. Personally, I do not think that such a system would be an improvement upon the present system. You must take my opinion for what it is worth, of course. I find that the present system works exceedingly satisfactorily. I may say, that since the 1881 Act, the Conveyancing Act, matters have been very much simplified. Conveyancing is much more simple than it used to be.

2448. Do you not think that the present system by deed, and transacting the business in a solicitor's office, like yours, is a system of more elastic character, and more suited to small transactions, than any system of transfer on a register kept by a public official can possibly be?—I can only say that the present system works exceedingly satisfactorily. I never have any complaint with regard to my costs, for the

Mr. *Bolton*—continued.

the reason that my clients know beforehand what their costs will be.

2449. And do you believe that such a system as is proposed by this Bill would be attended in small transactions with additional expense?—I should think that it would slightly increase the expense, so far as I am able to judge; and I am quite certain that in the ordinary course of events you could not get things done so quickly under such a system as they are able to be done at the present time.

2450. They could not be done so quickly as you do them in your own office?—I am sure they could not.

2451. I will just ask you a question about the existing land registration. I believe you have had two transactions under that system?—Yes.

2452. Will you tell us what the first case was?—The first case occurred a good number of years ago.

2453. Was that the Walworth case?—No, that was the case of property on Birdhirst Hill Estate, Croydon. I will try and get the certificate that I got when my client purchased two plots of ground.

2454. Can you tell us the facts of the case?—I would rather allude to the second case, which is a still more peculiar case.

2455. Why will you not take the first case?—Because you could not understand it, I think, without a plan, it was so ridiculous. But I can tell you the facts of the second case.

2456. But tell us the facts of the first case?—Yes. A man brought a plot of land, and then he wanted to purchase a small piece of land adjoining it which was part of another plot, and when he got the sealed certificate it showed one plot up here coloured red, and another little tiny piece down there (*describing the same*), although, as a matter of fact, the two pieces of land were adjoining one another.

2457. Was that the case at Walworth?—No, that was the case on the Birdhirst Hill Estate, Croydon. The Walworth case was one in which a client purchased some property at Walworth, which was on the register, and he then entered into an agreement to grant a building lease; he then sold the ground-rent, prior to the purchase of the lease being completed, and when we tried to get our lease registered they declined to register it; so that the land stands at the present time on the register perfectly unencumbered, and as a matter of fact there is a lease in existence on it.

2458. That is to say, there is an encumbrance on the land which you cannot get put on the register?—That is so. That is the property at Walworth. We then found such difficulty in little delays, and one thing and another cropping up at the registry, that my client instructed me to get the estate taken off the register, if we possibly could, and we cannot.

2459. And you will give the learned Chairman the reference to those two cases?—Most distinctly. I can mention the cases now. My client's name was Billinghurst.

2460. Where was that, at Croydon?—No, that was at Walworth; Penrose-street, Walworth.

Mr. *Bolton*—continued.

2461. What was the other case?—In the other case, my client's name was Linfoot.

2462. That is the Croydon case?—Yes, on the Birdhirst Hill Estate, Croydon.

2463. In both those cases the working of the Land Registry caused delay and was unsatisfactory?—It was unsatisfactory, because it caused delay, and in the Walworth case we had the fact that there was a lease granted at a ground-rent, and we cannot get it on the register.

2464. And your opinion therefore is generally, speaking as a London solicitor, that the present system is reasonably economical and efficient, and that a system of land registration and transfer would be no improvement whatever?—My opinion is this, and I have had some considerable experience, that the competition amongst solicitors, building societies, land societies, and others has cut conveyancing down so low that it is about the lowest remunerative point that it could possibly be at. I mean that all these land societies and building societies in their competition to get business provide that the costs are just about as low as a man can get his living at at the present time.

2465. As low a scale as should reasonably be applicable, you think, to transactions of this kind?—That is my opinion.

2466. And you do not believe that there would be any saving really on small transactions, especially in the scheme under this Act?—I do not think so, so far as I can gather.

Chairman.

2467. I do not understand about these building societies. The members of a building society obtain advances from the building society?—Yes.

2468. They obtain advances upon land?—Yes; you may take it that in 99 cases out of 100 a man wants to buy his house for occupation. Supposing that he belongs, or wishes to belong, to a society, he goes to the office and obtains a form of application and fills it in with the amount that he requires, giving particulars of the property, whether it is freehold or leasehold, the amount of money that he wants to borrow, and the term of years in which he wants to repay it.

2469. Then the building society advances him the money, with which he purchases the house and becomes the owner of the house?—Yes.

2470. And in many cases he will grant a mortgage to the building society for the money that has been so advanced?—Yes; we draw the mortgage from the member to the building society, who covenants to pay it back by certain instalments.

2471. Let us take the case of a mortgage for 100*l.*?—We never have a case of 100*l.*; you cannot buy a house for that sum.

2472. Call it 300*l.* if you like?—From 200*l.* to 300*l.* is the average.

2473. That is to say, that a man wants to buy his house, but before the building society will assent to that transaction I suppose they must be satisfied that the title is a proper and sufficient title?—Yes.

2474. The title is a new title to you as a rule?—Yes, in every case, excepting where I happen

Chairman—continued.

to be concerned for the vendor who is selling to the proposed borrower.

2475. It is a new title, so far as you are concerned?—Yes, you may take it that in almost every case it is a new title.

2476. The man who is the borrower borrows 250*l.* and gives a mortgage for it, buys his house, finding a few hundreds himself?—Not so much as that; the majority find some 30*l.* to 50*l.*

2477. Let us call it 50*l.* What are the costs that he has to pay according to the present system?—For his purchase 3*l.* 3*s.*, and for the mortgage deed 3*l.* 3*s.*

2478. Therefore he pays 6*l.* 6*s.*?—Yes, if there is the second transaction.

2479. You look into the title, and if there appears any doubt at all about the title, of course, you would not receive the title?—Certainly not; but I think I may say that one scarcely ever has to refuse a title.

2480. But as a matter of fact, if there was a complicated title which would require a long investigation, naturally you would not have anything to say to it, would you; your building society would say that unless it is a perfectly plain title they would not take it?—They would look to me to protect them. I should be personally responsible to them.

2481. Therefore, practically speaking, it is a case of comparatively simple titles that you deal with under this system?—Not altogether.

2482. But mostly, is it not?—No, sometimes one has a difficult title to deal with.

2483. But, as a rule, they are simple titles, are they not?—No, I should not be prepared to admit that.

2484. Do you think yourself that, apart from these building societies, or land companies, as to which we have had evidence lately, the land system of this country, the system of deeds, conveyances, and transfers, is really a satisfactory system?—At the present time, yes. Many years ago (I am speaking now of 25 or 26 years ago, when I first came into the profession) there is no doubt that there used to be a considerable amount of trouble about solicitors' bills of costs, when they were made out in detail, charging so much for letters, so much for attendances, and so on; but latterly, since the year 1881, things have been going more simply and working more satisfactorily. When you do not send a client in a bill composed of items, but charge him a lump sum, he is perfectly satisfied.

2485. There is not any difference in substance then, but the form appears to be changed——

Mr. *Bolton.*

2486. You work to a maximum scale now, do you not?—Yes, and there is no doubt that working to scale is far more satisfactory than working to different items made up.

2487. And that scale is the maximum; you work very much below it in practice, do you not?—Yes; as I say, competition between solicitors, land societies, building societies, and so on, has cut things down to a minimum.

Chairman.

2488. But, apart from those societies, are you prepared to hold the opinion that no reform on the subject of land transfer is wanted at all?—I have had a considerable amount of business outside building societies, and I can only say that things work more smoothly and economically and satisfactorily now. It is an exceptional thing to have anybody grumble at a bill of costs. Indeed, I may say that most clients come to the office and ask what the costs of the transfer will be, and we are able to tell them, whereas prior to 1881 you could not do so.

2489. You do not think, so far as I gather, that from any point of view any change is required with regard to conveyancing?—I think that things are working more satisfactorily every year.

Mr. *Wayman.*

2490. How does the cost to a client now who purchases property of, say, from 200*l.* to 250*l.*, compare with the cost that it would have been to him 25 years ago?—It might have cost him anything 25 years ago, according to the difficulties of title. Solicitors used in those days to charge so much per letter, so much for attendance, so much for examination.

2491. What would the cost amount to formerly?—Each case would stand on its own merits; it would be impossible to say; but latterly things have been working more smoothly since we had a scale.

2492. A man has to pay 3*l.* 3*s.* for a transfer of property worth 250*l.*; cannot you say what he would have had to pay at about that time?—No; it entirely depends upon what work the solicitor had to do with it. You must bear in mind that the solicitor had no option 25 years ago; he had to charge item by item; he had no power to charge according to scale.

2493. Would the cost, then, have been three or four times as much as it is now?—Quite that, and probably more than that.

Thursday, 13*th June* 1895.

MEMBERS PRESENT:

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Mr. Lambert.
Colonel Long.
Mr. W. F. D. Smith.
Mr. Tomlinson.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. BENJAMIN GREENE LAKE, called in; and Examined.

Mr. *Bolton.*

2494. I BELIEVE you were admitted as a solicitor in 1861?—I was.

2495. You have since practised at 10, New-square, Lincoln's Inn; you are a member of the firm of Lake and Lake?—Yes.

2496. You have been a member of the Council of the Incorporated Law Society of the United Kingdom since 1873, have you not?—Yes; and I was president for the year 1888–89. My practice has been chiefly in conveyancing and administrative business.

2497. I believe, as a member of the Council of the Incorporated Law Society, you have been requested to turn your attention more especially on behalf of that society to this Bill?—I have had a great deal to do with the question of registration of title during the last seven or eight years in connection with all the Bills which have been from time to time brought in, and I have given a thorough and exhaustive trial to the system of registration as now conducted by the Land Registry. I doubt whether any solicitor in London has had such practice as regards the Land Registry as I have had.

2498. I think, before we proceed with your evidence further, you would like to hand in a statement showing the history of the legislation on this subject, and attempts at legislation during the last 70 years?—I have prepared a statement, which I will hand in if the Chairman thinks it necessary; I do not know whether it will be thought necessary.

Chairman.

2499. Does it substantially cover the period dealt with in this book on "Register of Title," which the Committee have before them?—It does not go so far back as that; it starts with 1828.

2500. Will you put that statement in?—Yes (*handing in the same*).

Mr. *Bolton.*

2501. I believe you wish to give some figures in regard to the membership of the Incorporated Law Society?—Yes. Some questions were put by Mr. Ellis to Mr. Hunter as to the number of members of the society and the total number of solicitors. Mr. Hunter was not able at the moment to give the figures, but I have them here. The total number of solicitors on the roll for England is 15,701. Of those there belong to the Incorporated Law Society of the United Kingdom 7,481. Of those 7,481, 2,830 belong to the country law societies. In addition there are members of provincial law societies who are working with the Incorporated Law Society, though not actually members of it, amounting to 4,463, making a total of 9,114 as the total number of solicitors represented by the law societies. That would be added to to the extent of probably 150, as we have no returns from four of the societies to whom I wrote after the question was put to Mr. Hunter.

2502. The result of legislation of recent years has been greatly to simplify conveyancing, has it not?—Very much.

2503. What, broadly speaking, is the main effect of the measures of 1881 and 1882?—Those measures, taken together, practically made every acre of land in England, not subject to Parliamentary settlement, readily saleable so far as legal difficulties were concerned, and greatly shortened and simplified the way in which sales were carried out. I should like, although I will not trouble the Notes with it, to show the result of these Acts on the same estate. Before the Act of 1881 this (*producing a large document*) was the settlement of a large estate for which I am concerned; that same estate was settled after the year 1881, with the result that this (*producing a much smaller document*) is the settlement now. There is positively very little length at all in this document, except the schedules.

2504. What is, roughly speaking, the length of the first deed you produced, that is the settlement before the conveyancing reforms?—It occupies 89 brief sheets of paper, as against 16 foolscap sheets (which, of course, are smaller) in the second settlement.

Mr. *Bolton*—continued.

2505. Perhaps, in the same way, you will kindly illustrate the difference in transfer in the case of a considerable property?—Here (*producing a document*) is a conveyance relating to property purchased for 40,000*l.*, the whole of which practically is comprised in one sheet of foolscap; and all the rest is schedule. I should like to point out that the saving in the schedule which is effected by having a certificate instead of a deed is nominal only and not real, because every purchaser must have a schedule to show what his tenancies are, to show the division into farms, and the boundaries; and whether he has it in a separate document as a statutory declaration, or in the more convenient form as part of the conveyance which the parties execute, is a matter of form and not of substance.

2506. Can you produce another conveyance illustrating the same thing?—I have one or two; they all go to the same thing. It is impossible to have a form of conveyance shorter than that which is now in use. Here is a conveyance to myself of property which I am completing this month (*producing the same*); that is the whole conveyance of property of 1,000 acres, for which I have given 8,000*l.* or 9,000*l.* It is only two sheets of draft paper written on one side only.

2507. And there is a plan?—Yes. I do not think the Land Registry could give me a much shorter document of title than that is.

Chairman.

2508. Last month I bought some land, but my experience was not quite that?—Here is the actual document, if the Members of the Committee would like to see it.

Mr. *Bolton.*

2509. With regard to the supposed shortness of description on the register as now adopted, there must be in some form or other a schedule showing the property, whether it is by way of entry on the register or by a separate document, must there not?—The purchaser must have the information which the schedule gives him, and whether he has it in the form of a statutory declaration by the vendor or in a document under seal signed by the vendor is a matter of form, not of substance. Under the present system we have it in the conveyance which the vendor signs. Under a system of registration of title we should have it as a statutory declaration equally signed by the vendor.

2510. That would refer to the plans upon which they seem to rely, more particularly at the Land Registry?—It would refer to the plan, no doubt. The Australian system (with which I am acquainted, mainly by reading) does admit further description; the words of the Act of 1862 are that there are to be "proper words of description"; that is to say, the plan upon which reliance is placed in the entry upon the register is not in itself a full and complete and authoritative description of the property; there must be a schedule, in addition to the plan which shows the area which you are purchasing; the schedule shows the way in which the area is occupied by the tenants, the cultivation of it, whether it is arable land or woods, and so on, all of which information you must have if you are purchasing property.

Mr. *Bolton*—continued.

2511. That is in existence, though it is not absolutely upon the record, so that the register does not show the whole description of title?—No, subject to that observation, it does not.

2512. Now, I believe the objections which you entertain to this Bill are not merely based on *à priori* argument, but chiefly on the result of your experience?—I may fairly say so, I think.

2513. The policy of the Bill, as, of course, you understand, is to make registration compulsory; what do you say with regard to that?—Personally I am strongly opposed to making this system compulsory, and I think the onus of proof lies on those who wish to make it so. It is an untried system. That is admitted by the Lord Chancellor himself, although he avoids the result of the admission by saying that the system is untried because people are not acquainted with its value. Whether it is because people are not acquainted with its value, or whether it is owing to the wickedness of solicitors or to defects in the system, the fact remains that the system is an untried system, however, the fact arises; and it seems to me open to great objection to impose exclusively an untried system upon the landowners of England instead of giving what I think might fairly be done (for I have long been an advocate of registration of title), namely, a system which would attract them, and to which they would not require to be compelled to come.

2514. That was the view entertained by Mr. Brickdale at one time, was it not?—Yes, Mr. Brickdale complied with Job's hope, and wrote a book, and that book I daresay we shall hear more about. He was the strongest advocate, and I think I may venture to say, one of the ablest, against compulsion at one time.

2515. He has since become an official of the department, has he not?—I do not suggest for a moment that that has altered his view. He has now become thoroughly acquainted with the system, and has altered his opinion, and no doubt we shall hear why. But at the same time I should be very glad to adopt his argument prior to conversion.

2516. Is there, so far as you know, any popular demand for establishing a compulsory system of registration?—I have never heard of any such demand; the only experience I have had has been the other way. I have on two occasions in dealing with registered land had objections raised; in the one case the purchaser refused to buy at all on the ground that the land was registered; in the other case I had the greatest difficulty in carrying out the transaction because the purchasers were trustees, and they found there was a question whether they would get the mines and minerals under the purchase, or whether they were not buying property subject to the rights of third persons to come in and dig for minerals, and under the advice of counsel they refused to complete for a long time; eventually we got over the difficulty.

2517. You were present, were you not, when the Lord Chancellor said that he had been informed (because, of course, he could not speak from

Mr. *Bolton*—continued.

from much personal experience) that the register had recently become more popular, and that there were more transactions upon it. Even assuming it to be correct that there are more individual dealings now than there were, that is capable of some explanation, is it not?—That statement has been made, but figures are never given us, and I personally doubt very greatly whether there has been any increase whatever. There has been an increase in the number of apparent dealings, without doubt. For instance, an estate which I registered under the instruction of a client, which I will refer to presently, was developed as a building estate and sold in building lots. Each of those building lots opened a fresh title, and each purchaser was bound to go to the register, whether he liked it or not. But there was not any real increase; the same area of land only was covered, although the titles were shown by twenty-two entries.

2518. At the present time Mr. Brickdale and his friends in the office are very anxious to make the system appear as attractive as possible, because it is a voluntary system; but if it is made a compulsory system they necessarily will not be so particularly anxious to make it attractive, because they know people must come to them?—I think we may take it that the Land Registry are doing all they can now to make the system satisfactory, and if it does not work satisfactorily now it is because it is impossible that it should do so. I think we may assume that they are doing their best to make it satisfactory on every ground, particularly on the ground that being voluntary they can only hope to attract customers by so doing.

2519. To a certain extent they are on their good behaviour, and on their trial, are they not?—That is so, I suppose.

2520. Now, with regard to the fees, the fees have been increased, have they not, since the commencement of this register?—The facts with reference to the fees are a little singular. The Act was passed in 1875, and a scale of fees was fixed in that year. The system proved so completely a failure (that, I believe, is common ground) that in 1889 there was a re-organisation, partly of the office and partly of the fees, with the result that the fees were very largely increased. The lower fees had not attracted sufficiently, but, the unfortunate purchasers who had come on the register, being more or less at the mercy of the office, the fees were very largely increased. I have here a statement (*producing the same*), which I can hand to the Committee, showing a comparison between the fees fixed in 1875 and the fees fixed in 1889, and by way of guidance I have ventured to add the maximum fees charged in Australia; and the Committee will see that, whereas the fees in Australia are absolutely nominal (as under any system of compulsion they ought to be), the fees in the Land Registry have been enormously increased. I have added, at the end of the statement, a memorandum for which I am, of course, responsible, showing the increase. Taking the fee on transferring a charge of 10,000*l.* in 1875, it was 11*s.* 6*d.*; and in 1889 it was increased to 14*l.* Had that transfer, or a transfer of 20 times the

Mr. *Bolton*—continued.

amount, taken place in Australia, the maximum fee would be 10*s.* I may say that I can show that even more conclusively, than by asking the Committee to rest on my mere statement, by giving an instance. I am now carrying through a matter in Australia, the deed of which only reached me yesterday; it is the case of the transfer of a mortgage (which I shall be happy to hand in if the Committee care to see it, although, of course, I do not want the name to appear) for 161,800*l.* That was carried out in New South Wales, and I have here a type-written copy of the original, which has gone back, and there is this note: "The fee on transfer of mortgage is 10*s.*, irrespective of the amount." We have only paid 10*s.* It goes on to say if more than one mortgage is to be transferred there is only an additional fee of 2*s.* after the first; therefore, the fees in Australia are purely nominal. It also adds (which is important in view of some evidence I shall give afterwards) that the mortgage must be produced with this transfer.

2521. The Colonial Governments who have adopted this system of registered title and transfer in the register, I believe, consider the whole matter from the point of view of large questions of public policy; that is to say, whatever the expense, they think the State should bear it for State reasons?—That is the policy of the Australian Government. The policy of the Land Registry is to make the Land Registry a source of income.

2522. To make it self-supporting?—More than self-supporting.

2523. But, of course, the land and the interests connected with land in Australia are the paramount objects of property there, as against the relative less importance of that class of property in this country; and, therefore, in Australia, the policy of putting the expense upon the State is much more justifiable than any such policy in this country?—If the system is made compulsory, I think the State ought to bear the cost of registration; but that is perhaps wide of this discussion. That is the policy, so far as I know (and I have made myself familiar with several of them) of all the European countries that adopt registration of title, as opposed to the policy of those which adopt registration of deeds, as in France, where the duty is so high as to be almost prohibitive; and, indeed, it is prohibitive of investments by outsiders.

2524. In Australia, where the system is compulsory, the title is comparatively simple, inasmuch as it has a source resting with the Government itself in the shape of the Government Land Grant?—The origin is so, but I am hardly qualified to say that that is the case throughout; the title starts from a good source, but it may become complicated. But I might point out that the system is not compulsory in any of the Australian Colonies, except as regards land passing by Crown Grant after the passing of the Registration Act. The quantity of land to which that would apply very much varies in the different colonies. In the older colonies, where the system of registration was introduced after the greater part of the land had been

Mr. *Bolton*—continued.

granted; a comparatively small part of the land is under compulsory registration; and compulsion exists over perhaps two-thirds of the land in the other colonies.

2525. As the fees in the English Land Registry have been increased even under a voluntary system, if the system were made compulsory there is no reason, is there, why they should not be still further increased so as to make the office not merely self-supporting, but even a source of revenue?—There is nothing to prevent that; it rests in the power of one man.

2526. You will agree with me, I think, that before a system is made compulsory it should be so reasonably perfect, or should give such promise of approaching perfection after experience, as to justify compulsion?—I think it should be shown not only to be as good as the existing system (which I am sure it could not be shown to be) but so very much better as to render it right to exclude from landowners the option which they at present have of adopting whichever system of conveyancing is best suited to the circumstances of their estates

2527. We have dealt specially with the expense of the register; but I think you will be disposed to advise the Committee that any system of land dealing should not only be cheap, but safe, expeditious, simple, and suitable to the public wants; is it your opinion that the system of land registration proposed to be set up under this Bill will comply with those conditions?—I think it may be proved almost to demonstration that the land registration system as established by the Act of 1875 is neither safe, nor cheap, nor expeditious, nor simple, nor suitable to the public wants.

2528. Would you deal with the question of want of safety, in the first place, from your point of view?—I probably need not recapitulate to the Committee the titles that can be created on the register under the Act of 1875; Mr. Wolstenholme has already stated them; I mean the three titles, possessory title, absolute title, and qualified title. They are all alike except in one thing, the date from which the absolute title is given. Under the Land Transfer Act of 1875, as it at present stands, and as the law would stand under the Bill as drafted, it is quite clear (and I think Mr. Wolstenholme's evidence, which I should desire to adopt, in most respects, as my own, sufficiently showed it to the Committee, with a weight that I cannot hope my evidence will possess), that if by means of fraud or personation the registrar is deceived, and puts on the register as owner of A. B.'s land Mr. C. D., and Mr. C. D., either directly or by subsequent transfer, passes it on to an innocent person Z., who is registered, the true owner A. B., is dispossessed of his land; he ceases to be the registered owner, and the registered ownership is in Z. As the Act now stands that is irremediable, and so it was under the Act of 1862, an example of which I shall be able to give the Committee. Under the present Bill there are other clauses to which we, no doubt, shall come a little later; but my objection to the register system as established in this country is directed to this, which is not a necessary part of the registration of title, namely, that the registered owner while he may be safe from attacks from behind, prior to the time of registration, assuming he is registered with an absolute title is, and always must be, at the mercy of successful fraud or forgery. As I have said, that is the case under the present Act, but the difference is this: Under the present Act a landowner may voluntarily incur that risk if he chooses; he is not compelled to do so; but what the Bill proposes is to compel a man to incur that risk from which he is now free; to place his land at the mercy of a careless, or, possibly even, fraudulent registrar.

Mr. *Bolton*—continued.

2529. Having regard to that, you disagree, I believe, with the proposal of the Bill that the power of dealing with a fraudulent entry on the register should rest with the registrar?—I do. At present the Bill proposes that it should rest with the registrar, subject to appeal to the Court, to decide whether in such a case as I have put the true owner A. B should be restored to his land, and Z. should be compensated, or whether Z. who has got his possession by fraud, to which he is no party, should retain the land, and A. B. be compensated. Such a discretion (if I may respectfully say so) ought to be committed to no single man under the rank of one of the Judges of our High Court, and after public argument; and that was the view Lord Halsbury took in his Bill of 1887 and 1888. He vested the power in the Court, and not in the registrar; the present Bill gives it to the registrar.

2530. There is an impression in the minds of some of the Members of the Committee that a recent decision of the Privy Council on an Australian case that has been referred to somewhat modified that view?—That is the case which Mr. Wolstenholme referred to of Gibbs *v.* Messer, but, with the greatest respect, that does not go to that extent. That case was new to me till I heard it cited here; but, as I understand it, what that case decided was that it was the duty of the transferee of the land to satisfy himself that the person transferring to him was identical with the person named on the register. But in the case I have put, that would be so: C. D. has got on to the register by fraud, and he then transfers to an innocent holder Z., and Z. would be rightly satisfied that the transferee C. D. was the C. D. on the register and did transfer to him. Therefore, the case of Gibbs *v.* Messer would not touch this point at all, if I may very respectfully say so in the presence of the learned Attorney General.

Chairman.

2531. I have not looked at the case, but I rather thought Mr. Wolstenholme had put another construction upon the case?—I was only rather exculpating myself for venturing to discuss the effect of the case before such a high authority; but as I read the case, it does not appear to me to meet the point I was putting.

Mr. *Bolton.*

2532. Do you not think that the correction of the register involving the right to the property, either

Mr. *Bolton*—continued.

either by keeping it in the hands of an innocent person who has got on the Register through fraud, or by compensating him and investing the property in the true owner, is so serious a matter that it ought to be dealt with by a much higher and more responsible authority than the Registrar of the Land Court, even though subject to appeal?—I think so. An appeal is never quite satisfactory when the matter is to some extent one of discretion. On the point which I ventured to put just now, perhaps I might just refer to the law in the case of the Shipping Register, although I do not think the Shipping Register has much analogy to the law as I was putting it just now in regard to registered land. Taking the law in force in the case of the Shipping Register, if A. B. were the owner of a ship, and C. D. had come on to the Register by fraud and had conveyed the ship to an innocent holder, Z., the ship belongs to Z., and A. B. has no claim. That is supported by an authority which I think I may safely shelter myself under, the case of "The Horlock," in second Privy Council, page 171.

2533. You think that so important a matter should be dealt with by a court of superior jurisdiction, and not by an individual registrar, even though his decision is subject to appeal?—I think so. If there is a mistake made in the share register of a company, I cannot get it rectified without going to the court.

2534. I believe you have had some correspondence, which appeared in the newspapers, with Mr. Brickdale, which bears upon this subject?—Yes. I could only refer to that correspondence to show that Mr. Brickdale's view, now that he is registrar or assistant registrar, does not differ from mine; but that in the case I have put the property would have passed to Z., and it would be optional with the registrar to say whether Z. should be left on the register and keep the land, or whether A. B. should be restored to the land, and Z. receive compensation. I do not propose to put that correspondence in unless that is disputed.

2535. That correspondence dealt with other questions, did it not?—Yes, it dealt with several questions on the Bill; I do not want to overload the notes by putting it in unless it is desired.

Chairman.

2536. If it is desired, we might put it upon the notes?—I shall be quite satisfied to leave it to your judgment.

Mr. *Bolton.*

2537. Perhaps, if you have copies of the correspondence, you would furnish them to members of the Committee?—Yes, I will hand in several copies (*handing in the same*).

2538. The more usual frauds, I suppose, would be in connection with the creation of charges rather than the transfer of the property itself?—I think so. As a rule, on the transfer of the whole property the fraud could hardly remain undiscovered long, but the more common frauds in recent days have been by the creation of charges by means of fraud or forgery. I am sorry to say that many cases have been carried out through the agency of members of my own

Mr. *Bolton*—continued.

profession, and it is obvious it would be so, because we have the principal dealings with land; but the effect is to make the fraud undiscoverable for a very long number of years, because, of course, in those frauds the interest was regularly paid, and, therefore, the mortgagee who came in through the fraud would have no power to enter upon the land, even to make inquiries. Under those circumstances, if this Bill were passed, the frauds which would unquestionably take place under it would be chiefly by the creation of fraudulent charges, and the question is, whether that charge is to be paramount to the owner's title, or whether the chargee is to be himself defrauded. It is very much easier to commit a fraud of that kind on the register than under the present system of deeds. I may instance that by referring to the frequent frauds that have occurred in connection with registered stock. Robson was the Registrar of the Great Northern Railway Company; Redpath was the Registrar of the Crystal Palace Company, and could not otherwise have committed his frauds; but there is still a more striking instance, and a more dangerous case taking it in connection with this Bill. I ventured to suggest hypothetically the case of a fraudulent registrar, but there has been one, and the consequences have been very serious. Mr. Peterson, in the year 1878, was the Deputy Registrar General of the Land Registry at Brisbane, and although he was nominally Deputy Registrar General, in consequence of another duty that was put upon the principal registrar, he became to all intents and purposes the registrar, and signed all certificates, and he issued a number of fraudulent certificates. That went on for some years, and if he had confined himself to land registration he would probably have gone on there to the end of his days, but he had some other money that belonged to somebody else, and it disappeared, and on the investigation into that the frauds upon the register came out, and Mr. Peterson received ten years' penal servitude. I am very sorry I have not got the whole of the papers to lay before the Committee upon that point; I have sent for them, but they are not at the Colonial Office, nor with the Agent General of the Colony, although one member of the staff of the Agent General knows all about the case; but the papers are on their way, and I have full telegraphic information as to the case. There is no doubt whatever that Peterson was the Deputy Registrar General, and he committed serious frauds through the register chiefly with equitable mortgages.

2539. Those frauds would be more easily committed under a system of transfer on a register where there is only one document, than under the present system of deeds, would they not?—Yes, because there is only one signature to forge if the man is the registrar himself; and in any case there are only two, and there is only one document.

2540. Of course, if the scheme under this Bill became law, this risk is a risk that would not only be put upon a man against his will, but he would be called upon to pay for it?—Yes, I do not think a landowner ought to be compelled to incur that risk. If he chooses to do so voluntarily

Mr. *Bolton*—continued.

tarily he may do so, because in the particular circumstances of his estate there may be considerations which outweigh the risk in his judgment; but that he should be made to undergo the risk, whether he wishes it or not, and made to pay for it, seems to me to be carrying paternal legislation somewhat far.

2541. Of course, this is a risk attaching to possessory title, and the first person who registered under a possessory title would have no right to compensation whatever, would he?—The risk attaches to any title, and, therefore, to a possessory title; and, as I read the Act, if anyone registered with a possessory title were to be so ousted, he having paid nothing to the compensation fund, would have no right whatever to compensation.

2542. That is entirely a new risk?—Quite a new risk; it is a risk which would be peculiar to land, because it does not exist in the case of shares and stock now. The idea suggested is that you should assimilate land to shares and stocks, but in this respect you are creating a very great and very important difference between them.

2543. And we may gather, may we not, that this danger of fraud is a real one, because an Act of Parliament has been recently passed dealing with the matter; I mean the Forged Transfer Act; and I believe the Bank of England have considerable losses which they provide for on account of this risk?—The return of the Bank of England has already been put in.

Mr. *John Ellis.*

2544. The return put in is 60 years old, is it not?—It is the only one we can get; the Bank of England will not publish it any more.

2545. Is there any return since that?—No.

2546. That is 60 years old?—Yes. It is only fair to say that the amount shown in that return was swollen by the Fauntleroy forgeries; but for that the average would have been 25,000 instead of 46,000.

2547. Have you any information with regard to that later than 1860?—No, the Bank of England will not give us any further return.

2548. Then it is rather ancient history, is it not?—It is rather ancient history, but does not it show the chain of that class of forgeries? It shows what the Bank of England have suffered; and one knows what Redpath and Robson were able to do. Perhaps the Committee might be able to get a return from the Bank of England, but no private person could do it. However, I do not rest upon that return; I incidentally referred to it, because it was mentioned before. But there is stronger evidence than that. That it is the opinion of Parliament that a register affords an easier means of forgery, is shown by the passing of the Forged Transfer Act. If the evil is so great that Parliament thought right to pass an Act to meet it, surely the risk must be very serious. That Act entitled a company to charge every transferee of stock with a fee of not exceeding one shilling per 100*l.* to provide against the risk of forgery. In many cases the company have compelled transferees of their stock to do that. I do not say it is so in all

Mr. *John Ellis*—continued.

cases, but in a great many. I happen to know something of it, because I am a director of the Law Guarantee Society, and we are very frequently called upon to make a counter guarantee.

Mr. *Bolton.*

2549. That Act is extensively used, is it not?—I hesitate to speak positively in the presence of Members of the Committee who would be better informed upon the point than I, but I think it is very extensively used.

2550. Under the existing system the loss of land by reason of forgery, fraud, or personation, is exceedingly small, is it not?—I think it is very small. I have never had but one instance of an attempted fraud since I have been in practice, and that was in connection with railway shares, and not in connection with land at all.

Mr. *Warmington.*

2551. Loss of land by fraud is impossible, is it not?—Yes. Perhaps I misunderstood the question that was put to me. I thought the honourable Member meant whether the cases were few in which fraud was attempted. I have never known of an attempted fraud in connection with land.

Mr. *Bolton.*

2552. The cases are very few where such an attempt is made?—Yes. The two most remarkable cases were those of Dimsdale and Roupell, and both those cases bear out the argument I have submitted to the Committee. In the Dimsdale case the forgeries were entirely of leases; that is one single document; and in the Roupell case it was a forgery carried out by a will and deed of gift, also a single document.

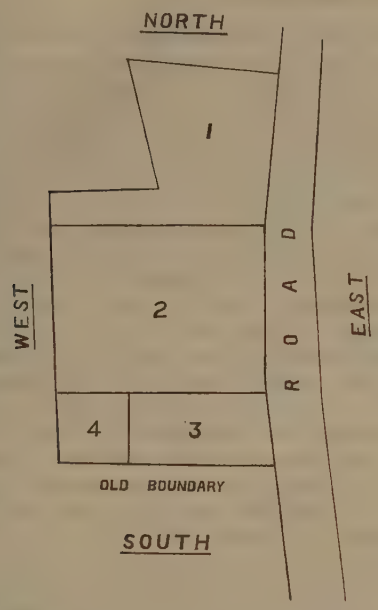
2553. You are, of course, very competent to speak upon this matter, because you are chairman of the Discipline Committee of the Law Institution, which is the authority before whom cases of this kind, so far as regards solicitors, come?—I have been chairman of that committee from the time it was appointed under the Act of 1888 down to the present time, with an interval of one year, when Mr. Hunter was chairman, and I have gone through the whole of those cases. Altogether there have been 731 applications, of which not more than 200 involved subsequent inquiry; that is to say, in the other cases there were not even *primâ facie* cases made out; and only 10 of the whole 731 applications involved any charge of forgery or falsifying or suppressing deeds. Of course those cases, one must say, are probably the worst cases in our profession.

2554. There is another risk in connection with the establishment of the land registry, and that is, mistake?—The risk of mistake in the land registry, even with the great care that is exercised, is not inconsiderable, and I should like to show the Committee an instance of a mistake that occurred under the Act of 1862. I am, of course, quite aware that that Act is not now in force, but for the purpose of showing accuracy or the reverse, it is allowable to refer to the practice under that Act. If the Committee would allow me to state the case, perhaps I could make

it

Mr. *Bolton*—continued.

it more intelligible if I hand in this plan (*handing in the following plan*) :—



2555. Will you describe that case?—W, a purchaser in 1891, purchased from Z a block of land at Caterham, registered with an indefeasible title under the Act of 1862. It was bounded on the east by a road, and Z, who bought to resell, and did not take a conveyance to himself, divided it into four lots. Lot 1 formed the northern extremity; Lot 2 adjoined it on the south, and formed the centre plot; and Lots 3 and 4 formed the southern extremity, Lot 3 facing the road and Lot 4 being the background. Lots 3 and 4 bounded Lot 2 on its southern side, and extended thence to the southern boundary of the property, being, in fact, a slip forming the southern end of the property; the northern and southern boundaries of these two lots being parallel and of nearly equal length. Lot 1 was sold to A (that was the northern lot) and A at once registered his conveyance. Lots 3 and 4 (those are the two southern lots) were sold to B and C, whose conveyances were duly executed, but were left unregistered with W (who was the purchaser) until the purchase-moneys were paid. W then sold Lot 2 to A, who at once left his conveyance for registration. The Land Registry, not relying upon the plan, wrote to Z, the registered owner; they did not write, of course, to the purchaser, they did not know him; they did not write to the sub-purchaser, because they did not know him; they wrote to Z, the registered owner, and inquired whether the southern boundary of Lot 2 was also the boundary of the property. Z, either forgetful of the conveyances to B and C, or making no inquiry about a property in which he had ceased to have any interest, replied in the affirmative, whereupon, without further evidence or inquiry, A was registered as proprietor, not only of Lot 2, but also of Lots 3 and 4. B and C paid up their money and left their conveyances for registration, and they were then told that there was no land for them. The error

Mr. *Bolton*—continued.

was explained to the registrar, and a good deal of correspondence and discussion took place, but they were advised, and the registrar agreed that there was no way of setting the error straight, except by getting A to give another conveyance over to B and C, who had bought these two lots. Then, as always happens when a mistake is made, it became further complicated by the fact that A selected that moment to die, and the property became vested in the trustees of his will. But eventually, after there had been an independent survey made by an official of the registry, and a declaration made verifying all the facts, the record was corrected. Whether there was power to correct it or not is, I think, open to doubt; but, at any rate, it was done, and B and C were registered as proprietors; but they were not registered till the 20th January 1893, the original conveyance having been in September 1891.

2556. They were not registered until 15 months after the conveyance?—Yes. That case shows there is a possibility of error, especially when you rely only on the plan without any indication of boundaries at all.

2557. Have you any information as to what all these steps cost, and who paid the costs?—I have not. I could get that information, but I have not got the particulars here. This was not a case that went through my own hands, although all the other cases I shall refer to were in my own hands; but I have all the documents here to prove the facts.

2558. If such a thing as that occurred under the Act of 1862, under which registrations were not more frequent than about one a week, I suppose it is very much more likely to occur when registration is compulsory, and when you will have transactions at the rate of at least a thousand a day if the system is to be extended throughout the country?—It is hardly conceivable that there will not be mistakes sometimes. Mistakes have occurred in Ireland in the registration of indefeasible title.

Chairman.

2559. With regard to the case you have just told us about, it was under the Act of 1862, I understand, and therefore there were conveyances which there would not be under the Act of 1875?—Yes; it was under the Act of 1862.

2560. Could not the mistake have been prevented if W had sent a warning or caution, or if either B or C had sent a caution?—I think it would hardly have occurred to them to do so; they were very small purchases.

2561. But if they had done so it would have made the mistake impossible, would it not?—I do not think so, because the mistake occurred in this way: the Land Registry found they could not, or would not, rely upon the plan, or they scaled it wrongly (I do not know which it was) and the only difficulty was that they did not know which boundary was right. I think there would have been the same mistake, and the same confusion of boundaries would have arisen if a caution had been lodged.

Mr. *Bolton.*

2562. If the Chairman's suggestion were carried out, practically would not that enormously increase the number of entries upon the register, and the effect would be that in the case of every large or much divided estate which was so dealt with there would have to be any number of cautions?—It is one of the objections to which I shall refer in a moment, that this system, if it is made compulsory, does involve reference to some official registry or giving some official notice at almost every stage of the transaction. Such a mistake might no doubt have been avoided if all the parties had taken all the precautions that the most careful man would have thought of doing in the direction indicated by the learned Attorney General, but in these cases the purchase money did not exceed 100*l.*, and it would be an endless business if we were always to take precautions of that sort. In carrying out small purchases we may safely depend now upon the trust that professional men and their clients place in one another. If every precaution had been taken, the mistake might have been avoided, but that will not be always done, and you will have mistakes, because purchasers, and especially illiterate purchasers, will not understand the necessity of constant precaution.

2563. Of course, if any system of caveats, as suggested by the Chairman, were established it would necessarily involve fees; it would involve searches, upon which fees would also have to be paid?—Certainly. Of course, no fraud or mistake, and no personation is ever possible if everybody does exactly what he ought to do at the proper time and in the proper manner; but in business that would not be done, and the opportunity for errors and mistakes in a register are almost infinitely greater than they are under the present system.

2564. Now, as to the cost of registration, with a merely possessory title it will be wholly additional, will it not?—Yes; at present it will be wholly additional.

2565. All the ordinary expenses of purchase will have to be incurred; the title will still have to be investigated, and this investigation will have to be repeated until the title fructifies (to adopt the expression used by an honourable Member) into an indefeasible title; all the expenses will have to be incurred, and the registration is an additional expense?—It would be wholly additional, as it appears to me, till about 18 or 20 years had elapsed; so that the effect of this measure, if it were adopted, would be this: you would be throwing on the present landowners, who are not particularly affluent at the present time, and on the present generation of artizans and small purchasers, a certain cost for the sake of a problematical benefit to the next generation.

2566. Have you considered what lapse of time would be necessary for this fructification of title?—In strictness, 40 years, but I think it is fair to say that after 15 or 20 years, while it would not be absolutely safe, in practice it would be accepted, I daresay.

2567. All that time the present race of landowners, whether they are big landowners or small landowners, such as artizans and workmen buying

Mr. *Bolton*—continued.

little plots of land, will have to incur the extra cost for a future, and, so far as you can see, a rather problematical benefit?—Yes; an extra and very considerable cost.

2568. And there would have to be some investigation, would there not, even when an absolute title is on the register?—Yes; you cannot dispense with investigation, even in the case of an absolute title, except in the extremely rare case (which scarcely ever happens) where an owner is absolutely entitled to a particular and probably small estate, and has no lease of over 21 years, or mortgage or other encumbrance affecting it. Wherever (as frequently happens) there are leases of over 21 years, abstracts of those leases must be delivered: and so, wherever there is any incumbrance affecting the property, an abstract must be delivered. I am afraid it is Utopian to expect that you will carry out any system of transfer of land with no other information upon the register except the boundaries of the property.

2569. By Clause 12 of the Bill the purchaser is to be satisfied by an "inspection of the register, or a certified copy of, or extract from, the register"?—That is so.

2570. Do you produce an extract from the register relating to land registered with an absolute title?—I have here what the Bill says is to be delivered to the purchaser, viz., a certified copy of or extract from the register, and I should like to mention one fact connected with it before I go into that. I think we may take it that the Land Registry is anxious to do all they can to facilitate dealings, especially at the present moment, when they are practically on their trial before this Committee. When that is borne in mind, I think, if I may venture to say so, if they were more anxious to give anyone facilities than another it would probably have been myself. Now, I have sent to the Land Registry for a certified office copy of or extract from the register (as is required in the terms of the section), which I have here. I applied for this on the 9th of May, and pressed for it day by day, but I only got it on the 20th May—that is to say, it took that time to obtain a document which will be all important to prove the title under this Bill if it becomes law; it will be 11 days before you can get a particular document which any solicitor's clerk or law stationer would have completed in 24 hours. Here is the document (*producing the same*). It happens to be an involved one in this case, but it is on a printed form, and it is only a matter of copying. That document cost 27*s.*, which is sufficient. I have no doubt the explanation would be that the plan was elaborate, but that will usually turn out to be the case in such cases, because it is dealing with small pieces of land. If any member of the Committee, who is not a lawyer, will look at this certificate, I think he will see that the amount of information that he would be able to derive from it without assistance is almost of less value than nothing at all, certainly he would not learn so much from it as he would from the abstract of title which it would be my duty to furnish. I will hand in the document in case the Committee would like to look at it (*handing in the same*).

Mr. *Tomlinson.*

2571. Did they take a separate tracing of the plan in the case you refer to?—No, they corrected the plans.

Mr. *Bolton.*

2572. The probability is that the smaller the parcel of land the more difficult the plan might be, because it might form a portion of a very considerable estate, and much of the plan of the whole estate would have to be traced to show the particular land?—It would be specially so in dealing with property in a large town where land is valued by the inch. The plan has to be exceedingly accurate when, as is the belief of the registrar, you can describe the land entirely by the plan without anything else.

2573. Therefore, one of these small owners might have to wait probably a fortnight before he got an important document which was essential to his dealing with his property?—Yes, if he is going to sell the property; it would be the vendor who would have to obtain this certificate. It may be said that the vendor would obtain this certificate before he puts his property up for sale, but that is not so in practice, because he would not incur the expense of putting the property up for sale in ignorance whether he is going to sell. It is the practice of solicitors (and rightly so) to avoid expense of that sort until they know the property is sold; therefore, the first application for the certificate would be on the day of the sale, or the day after the sale had taken place, and if the completion of the sale occupies, say, three weeks, that would mean that a greater part of the three weeks would be gone before they could get the particular document on which the title depended.

Chairman.

2574. This document which you have handed to me is a description of land, with regard to which there are 14 different dispositions?—There are 14 building leases, and, I think, two mortgages.

2575. Then there are a large number, I should say at a glance about 30, different sub-leases?—They are cessations of mortgages, I think. I may point out that it is one of the inconveniences of the registry that you cannot go to them and say, "This charge which was 20,000*l.* is now 15,000*l.*, and here is the evidence." They compel you to go on lodging these cessations, of which there may be, as there are here, 20 or 30, very much complicating the entry, simply because the Land Registry have not the power, or do not take the responsibility, of deciding that sufficient evidence has been produced of the reduction of the mortgage debt.

2576. This deals not with a particular plot of land, but with an estate that is cut up?—It is an estate that has been cut up into building lots.

2577. And this is the record of the title of all those transactions, is it not?—It is notice of the title of all those transaction.

2578. What we have got here is a building estate, and you have not asked for and obtained the title of a particular person's property in a particular plot, but the history of the building estate; is not that so?—No. This is registered with an absolute title, and the landowner is about to sell the ground-rents he has created, and for that purpose he wants a certificate showing the state of his title.

2579. This is the registered evidence of the title to the ground-rents upon all the leases that have been created upon that estate; is not that so?—That is so.

2580. So that it it is a series of ground-rents?—Still, the reason I put it in was to show the time taken in supplying that comparatively small amount of copying.

Mr. *Bolton.*

2581. Some similar docnment would be required, I suppose, if he had to deal with a few only, or made a selection of those ground-rents for sale?—That is what he is doing, but it was thought easier to get a certificate for the whole. We are now selling different plots as ground-rents.

2582. Would it not be necessary to get that certificate if he were selling only two or three plots?—Not necessarily. I might have asked for a certificate of so much land as was comprised in a certain document; but it would have apparently taken the same time; the document would not be any shorter or any longer.

Chairman.

2583. In this case a particular gentleman is registered as the absolute proprietor of certain property, and then there are 14 leases. If you had only wanted to sell one plot you would only have had one owner, we will say Mr. A., and you would have had one transaction and nothing else?—I should have had all the cessations of mortgages, because the mortgages cover the whole property.

Mr. *Warmington.*

2584. It is really a statement of the title of the gentleman some time anterior to 1893 to an entire estate, is it not?—The registration was about 1893.

2585. And after that there have been dispositions, I suppose, out and out?—In some cases dispositions and in some cases leases.

2586. There have been dispositions of various parts?—Yes, in some cases.

2587. Then the office gives a map of the entire estate?—Yes.

2588. Then the dispositions are exceptions from the entire estate?—That is so.

2589. Then what remains is also subject to a series of leases?—Yes; there have been 22 sales.

Mr. *Bolton.*

2590. It would be necessary to give a very considerable amount of that information if one ground-rent only were dealt with, would it not?—A good deal of it; it would not have made a very great difference.

Colonel *Long.*

2591. I understood you to refer to this case to show that it took 11 days, not to carry out any transaction, but to provide you with a copy or extract from the register?—That is so. The Bill proposes to make it compulsory on the vendor to deliver a paper of that kind to every

Colonel *Long*—continued.

purchaser, and I put it in to show that I cannot get it under 11 days.

2592. That seems to show that either the registry is overworked, or they take 11 days to copy out so many sheets?—That is my point.

Mr. *Bolton.*

2593. Are there other matters for which an abstract would have to be delivered, even with an absolute title, such as succession duty?—Yes. I am now conducting, on behalf of the vendor, three sales of plots of land, part of an estate which has been registered with an absolute title. To each purchaser an abstract of some length has to be supplied in addition to the certificate.

2594. You produce an abstract, do you not, extending over some 18 sheets, which it was necessary to supply, even with an absolute title?—Yes (*producing the same*).

2595. Which Act is it under?—Under the Act of 1875.

2596. On these transactions, as a rule, I suppose solicitors, or some persons who will make it their business to acquaint themselves with forms and proceedings, would have to be employed; so that the idea of a man transacting his own business is not altogether one which could be completely realised in practice?—Of course it is a matter of opinion, but I doubt very much whether in this country vendors or purchasers will, to any great extent, carry out these transactions for themselves; as a rule, they are busy men, and they will employ somebody to do the business for them. Whether they employ a responsible authorised agent of the court, or somebody who would be under no control, is a matter upon which my opinion is of no more value than anybody else's, and perhaps of less value

2597. Under the present system, conveyances are even on some estates given to the purchaser as part of the conditions of sale, are they not?—Yes, they are.

2598. I think on the 8th of June there were in one paper six advertised properties for sale in lots where this was the case?—Yes, in one paper there were six properties advertised to be sold in 358 lots, and in all but 47 free conveyances were offered.

2599. You are acquainted, are you not, with the Returns obtained by Mr. Saunders of the Birmingham Law Society?—Yes.

2600. Do you, so far as you know, believe that those returns fairly show the cost which was charged on transactions of the character of those in the return?—I have no personal knowledge of them, but I have no doubt of their correctness.

2601. Was it not in consequence of the representations made by Mr. Saunders and other persons interested in dealing with small properties, that Lord Cairns decided in the first instance to exempt properties under 300*l.* from the operation of his Act, and afterwards to make it voluntary altogether?—Lord Cairns so stated in his evidence he gave before the Select Committee in 1878 or 1879.

2602. Do you think it is altogether fair to compare the cost incurred at the present time in conveyancing under the present system with the fees under the Registry, which are capable of indefinite increase?—I think it is

Mr. *Bolton*—continued.

rather dangerous to do so. If you find that under a voluntary system the Land Registry (which is really one man, that is to say, rules can be made at the power of one high official, viz., the Lord Chancellor) has increased one charge alone, as in the instance I gave, by 24 times, it is not unfair to suppose (especially if the finances of the country should not be in the favourable condition they may happen to be in now) that similar increases may be made when an increase of the fee could not diminish the business, because under a compulsory system everybody would be compelled to go on the register whether they liked the fees or whether they did not.

2603. That cost is likely to be increased, especially when elaborate plans have to be copied and plans copied, and the Register depends so much upon surveys and plans?—The plans are the greatest part of the expense. If the Committee will refer to the copy of the certificate I have handed in they will see that the greater part of the 27*s.* charged for that certificate is put down as for plans.

2604. Therefore it is not fair, is it, to institute the comparisons which a preceding witness was asked to make between the costs under the present system and the fees for the register as they are at present charged?—Of course it is perfectly fair to ask for that comparison to be made, but I think it must be taken with the reservation that there is no power to prevent an indefinite increase of the fees.

Chairman.

2605. Must we not depend upon the control of Parliament in any such thing as that?—But if I may ask respectfully, what is the control of Parliament worth in a matter of that sort? The rules are signed by the Lord Chancellor with the concurrence of the registrar and laid upon the table of the House. The Government necessarily support those rules, they being put forward by their own officials, and what private Member understands the subject enough to get up and argue that the fee is too high.

Mr. *Bolton.*

2606. Or is able to command a majority of the House against a party vote?—It is one of the great difficulties we have had in this inquiry that it may seem, perhaps, as if the opposition to the compulsory clauses of the Bill (for it goes no further than that) was being conducted by solicitors; but the fact is, except solicitors whose business it is to deal with land, hardly anybody understands the real difficulties of this proposal and the danger of making alterations in the law, the consequences of which one can hardly foresee. If I might give an illustration from the doctrine of "tacking," with which some honourable Members will be familiar, under the doctrine of "tacking," where there are two or three mortgagees with equal equities, if one of them is able to acquire the legal estate from the first mortgagee he is allowed to "tack," as it is called, his subsequent mortgage to the first mortgage and get priority, and squeeze out an intermediate mortgagee. That was deemed to be so great a hardship that in the Vendors' and Purchasers' Act of 1874 that power of tacking was repealed absolutely. The learned Lords who brought in that Bill had

no

Mr. *Bolton*—continued.

no practical experience of the system of "tacking." The Bill was carried through without difficulty, but what was the result? For the whole of 1874 and part of 1875 the operations of the building societies were absolutely stopped, and the result was that in the next year a Bill was brought in to repeal that clause in the Vendors' and Purchasers' Act of 1874, because it had been found that the alteration which had been made perfectly *bonâ fide* by high authorities without practical experience of the working of the matter, had had the effect of absolutely stopping a very large branch of business in this country.

Chairman.

2607. I quite agree as to the great difficulty of dealing with abstruse and technical matters in Parliament; nobody has felt that more acutely than I have myself; but what I meant in my question was that it is not an abstruse thing for a Lord Chancellor to make a rule relating to such a matter as the fee for a particular transaction of that kind, and I should have thought the opinion of Parliament might have been very easily exercised to prevent the transfer of land being made a source of revenue?—That, of course, is a matter upon which I should not presume to offer an opinion; that is a matter of policy.

Mr. *Bolton.*

2608. Now, upon the question of expense and other matters we have been confining our attention to a certain extent to small transactions; I will now ask you to give us some information as to some larger transactions which have come within your experience?—I have several instances here which I can give. I may say I have not selected these cases; in some of them the matter went through very well, and I think they are all the cases in which I have had to do with the registry.

2609. These, as I understand, are larger cases where you propose to compare the cost under the present system of conveyancing with that which would prevail under the system of land registration proposed to be set up compulsorily under this Bill?—Yes; but my main reason is that it was stated in a paper issued in 1894 by the Land Registry that it was conceded that the registry was only inconvenient in cases of under 300*l.* So far from that being so, I hold it is far more inconvenient, and more expensive certainly, in the large cases. I was going to give some instances. The instances will also show how much greater difficulties are thrown necessarily in the way of business by the requirement of the Land Registry than in cases where solicitors are dealing between themselves. In the first case everything went very satisfactory, I think, and Mr. Brickdale will very likely refer to the case as a very satisfactory one, as it was in many respects. In the year 1890 I acted for the purchaser of an estate in Worcestershire and Gloucestershire, the purchase money being just under 28,000*l.* I received my instructions on the 28th March, and the purchase was completed on the 10th July (that is about three and a-half months); I was instructed to register the estate with an absolute title under the Act of 1875. The examined abstract, with counsel's opinions,

Mr. *Bolton*—continued.

were lodged at the Land Registry a day or two after the completion of the purchase; but although the registrar stated that owing to the thorough manner in which the title had been investigated on the purchase by the applicant, it would be unnecessary to make any requisition as to the bulk of the property, the title was not passed as absolute until the 23rd January 1891, six months after the date of application for registration. The application must be advertised, and cannot be registered till the expiration of three months after such advertisement; but the general instructions issued by the Land Registry say that there will never be any difficulty in completing the title long before the expiration of the three months In this case the whole of the work had been done; counsel of eminence had advised upon the title. I do not think the Land Registry submitted the title to counsel; and yet it took six months before the title that had been accepted was completed. The cost of the Land Registry fees and expenses amounted to 35*l.* 6*s.* 6*d.*

2610. Will you give us the details?—The *ad valorem* fee was 23*l.*; mapping, 2*l.* 6*s.* 6*d.*; certificate, 4*l.*; map for certificate, 16*s.* 6*d.*; stationer (that is, the official stationer), 8*s.* 6d; fee on abstract, 10*s.*; cost of [ ], 1*l.* 15*s.*; stamp on declaration, 8*s.*; costs of solicitors employed by the registry to examine abstracts supplemental to that furnished by vendors, 2*l.* 2*s.*; making up the 35*l.* 6*s.* 6*d.* My costs in connection with the registration were 15*l.* 7*s.*; so that the total cost was 50*l.* 13*s.* 6*d.*

2611. In addition to that the purchaser would have to pay, under this Bill, 29*l.* 3*s.* 4*d.* for insurance fee, would he not?—Yes, under this Bill he would have to pay 29*l.* 3*s.* 4*d.* for insurance fee.

Chairman.

2612. That is assuming that the maximum of a farthing in the pound were imposed?—Yes; it must be remembered you are going to take away the element of competition. The Australian system has a maximum, and they have never fallen below it yet.

Mr. *Bolton.*

2613. Your client has not dealt with the property since his purchase, has he?—No; so that he has so far had no benefit from this extra expenditure since; but I think he is no safer.

Mr. *Haldane.*

2614. Was that under the 1889 scale of fees?—Yes.

Mr. *Bolton.*

2615. Will you give us another case?—In 1892 I carried through, on behalf of the lender (a trust company), a mortgage for 52,000*l.* on freehold and leasehold land in Middlesex. The instructions were given on the 8th June, and the matter was completed on the 30th of the same month at a cost of 65*l.*, exclusive of stamp duty. The title was examined without the assistance of counsel, my investigation being supplemented by a statutory declaration by the borrower's solicitor, and a legal mortgage was executed. If the

Mr. *Bolton*—continued.

land on which the mortgage was created had been registered with a possessory title, the cost of the registration alone of the charge would have been 35*l.*, and 54*l.* 3*s.* for insurance fee.

Colonel *Long.*

2616. Did you tell us what your charges were for the first mortgage?—In the first case I gave my charges were 15*l.* 7*s.*

Chairman.

2617. That, of course, was in connection with registration?—Only in connection with registration.

2618. Those were not all your costs?—No.

Mr. *Bolton.*

2619. They would be supplemental?—Yes. I could give them easily, if the Committee wish it.

Colonel *Long.*

2620. I am referring to the 1892 case; did you tell us your costs in that case?—Yes. The matter was completed on the 30th June, at a cost of 65*l.*, exclusive of stamp duty.

Mr. *F. D. Smith.*

2621. Was this a mortgage of land already on the register?—No. I am giving this case to show what the cost would have been if the land had been on the register. If it had been on the register the charge for registration alone would have been 35*l.*, and there would have been 54*l.* 3*s.* for insurance fee, apart from searches and certificates, all of which would have been in addition to the above costs, as a separate deed would have been required to define the other special conditions on which the advance was made, and the other work done would still have been necessary. That loan was not a temporary one; it is still outstanding. It was temporary in its inception, but it has gone on without any further cost.

Mr. *Bolton.*

2622. Can you give us another case?—Yes; I have another case. In the same year, 1892, I carried through, on behalf of the lender (a trust company), a mortgage for 25,000*l.* on freehold property in Middlesex. The instructions were received on the 13th December, and the matter was completed on the 23rd of the same month. A legal mortgage was taken, the title, which was comparatively short, was fully investigated, and the deeds examined, and the mortgage was registered in Middlesex. The total cost was 76*l.*, exclusive of disbursements. Now, if the property on which the mortgage was taken had been registered with a possessory title under the Act of 1875, the fee on registering the charge would have been 21*l.* 10*s.*, and 26*l.* 0*s.* 10*d.* for insurance fee, besides fees for searches, plans, &c., while the other costs, except the cost of registration in Middlesex, would have been the same.

Mr. *Haldane.*

2623. You said the cost was 76*l.*, exclusive of disbursements; what do you include in disbursements there?—Only stamps; there were no counsel's fees in that case.

Mr. *Bolton.*

2624. The costs under the system of registration with possessory title would have been the same costs, plus 21*l.* 10*s.* charged for registration, and 26*l.* 0*s.* 10*d.* for insurance fee, besides the other expenses?—Yes.

2625. So that that expense would have been an addition under registration?—Except the expense of registration in Middlesex, which would have not have been required, the other costs would have been very much the same.

Chairman.

2626. That is assuming that when you have got it registered you have the whole of the costs under the present system, in addition to the cost under the Bill?—Except that you will find that the 76*l.* is so far below what might have been charged in ordinary cases that that more than meets that.

Mr. *Bolton.*

2627. This assumes a case of a possessory title, and a case where the money is lent, and therefore the mortgagee's solicitor could require payment of the costs of looking into the title to satisfy his client, independent of the register altogether?—That is so. Then in the same year, acting also for the lenders, I carried out an advance of 16,000*l.* on mortgage of freehold estates in Berkshire, consisting of over 900 acres. The properties were already in mortgage, and I did not formally investigate the whole title, but satisfied myself by inspection of the later deeds and the certificate of the borrower's solicitors that the title was sufficient. My clients were satisfied to take an equitable mortgage instead of a legal one. I received instructions on the 2nd December, and completed the transaction on the 30th December. The latter date was fixed to suit the borrower, and the matter could, if necessary, have been completed earlier. My costs were 25 guineas and disbursements, 23*l.* 15*s.*, altogether 50*l.* Had the property been registered with a possessory title, under the Act of 1875, there would, in addition, have been the land registry *ad valorem* fee of 17*l.*, and 16*l.* 13*s.* 4*d.* for insurance fee, besides fees for searches, plans, &c.

2628. And those charges would have been in addition to such costs as you as solicitor for the lender, having regard to the fact that the title was only a possessory title, might have thought it prudent and necessary to incur to satisfy yourself that the title was good?—That is so.

2629. Therefore, practically, as of course the borrower was in your hands as to whether you would lend the money or not, and could not refuse to pay any reasonable costs, he would have been obliged to pay 17*l.*, and 16*l.* 13*s.* 4*d.* in addition to the costs which under the present system he has now to pay, with certain other fees and expenses added?—That is so.

2630. Can you give us another case?—I have two more cases I should like to give. In 1894 I, acting for the lenders, carried out a mortgage of 30,000*l.* on freehold and leasehold property in Middlesex.

Mr. *Bolton*—continued.

Middlesex. The instructions were received on the 12th May, and the completion took place on the 26th of the same month. My costs were 60*l.*, and disbursements 43*l.* 18*s.* If this property had been registered with a possessory title under the Act of 1875 there would have been, in addition, the land registry fee of 24*l.*, and 31*l.* 5*s.* for insurance fee on registration of the charge, besides fees for searches, plans, and so on.

Mr. *Haldane.*

2631. You say "in addition"; but are you including in the 60*l.* the cost of the mortgage?—I am.

2632. That would not have existed in the case of a transfer on the register; you must deduct the cost of drawing the mortgage deed, must you not?—Of course, that raises the question of whether there is any mortgage deed required. I have only had two cases in which you can register a mortgage on the register without a supplemental deed. I have had a very simple mortgage, in which I took the opinion of the most experienced counsel on the subject I could think of, viz., Mr. Brickdale, the present registrar, and he advised me that an ordinary mortgage (the contents of which I will give presently) could not be registered without a supplemental deed. And if that mortgage could not be registered there is scarcely a mortgage in this country that could be.

Chairman.

2633. Would you explain that a little more. I do not want in the least to controvert it; but when a supplemental deed is wanted, is not that because there are certain bargains between the parties of a personal kind apart from that which affect the land?—The mortgage was a very simple one. I propose to give the full details presently, if you will allow me.

2634. Very well, we will come to that presently?—I propose to give the details presently, because no doubt there will be explanations to be given on behalf of the land registry, and I may say I have handed a proof of my evidence to Mr. Brickdale.

Mr. *Bolton.*

2635. Will you give us your next case?—Then, to go to another class of property in which there would be very serious difficulties in the case of registration, as I think there would have been so far as time is concerned in all the others; in 1890 I carried out, on behalf of the trustees, a loan and issuing house, an issue of 500,000*l.* in debenture stock that was secured by a trust deed (of which I have the print here, if the Committee like to see it), by way of first mortgage on 275 separate properties in different parts of England, of which 160 were freehold and the remainder leasehold, and (a few) copyhold. These were specifically charged, and a floating charge was given over any other property, present or future, belonging to the borrowing company. The instructions were given in July, and the matter was completed in September. The total costs were 367*l.* 10*s.*, inclusive of all disbursements except the *ad valorem* stamps. Now, if all these properties had been registered with a possessory title the searches would alone have cost 40*l.*, that is 5*s.* for each separate freehold property (and they might have cost much more if leaseholds had been brought under the Bill), and the registration of the charges (which would, in any event, have had to be supplemented by the trust deed which contained very complicated provisions) would, even if one charge were registered against all the titles collectively, have been 59*l.*, in addition to which the borrower would have had 520*l.* 16*s.* 8*d.* to pay for insurance fee, or nearly double the amount for that one item of the total cost of the mortgage. It is hardly probable that there would not have been some extra work in connection with so many titles, and all extra work involves extra fees to the registry.

Mr. *Haldane.*

2636. What searches do you mean there?—I mean searches to ascertain what the title was; to ascertain that the person seeking to convey on mortgage was, in fact, entitled to the property.

2637. You are not talking of the registration of a possessory title?—No, I am assuming that the property was on the register, and that I should have had to make a search, which would involve a fee of 5*s.* in each case, to know that the mortgagor was on the register, and had no clouds on his title.

Mr. *Bolton.*

2638. Those expenses would have been additional?—Yes; in this case certainly, because the trust deed contains so many provisions that it would have been impossible under any system of registration to put the whole trust deed on the register.

Chairman.

2639. You would have had to produce proof of it?—Yes, and the deed would have had to be prepared; so that the cost would have been the same. Under the terms of the trust deed (and this occurs in every case, almost, in which debenture loans are made) the borrower has power, with the consent of the trustee (for whom I was acting), to sell or surrender the lease of any part of the mortgaged property, the moneys received on sale or surrender being paid to the trustee. This power has been frequently exercised, and the trustee's consent is obtained at very trifling cost, and at most a few days' delay. The deed is sent to me with the report of a valuer or other evidence that the transaction will be advantageous, or not prejudicial to the security, and is on my report sealed by the trustee company. In every case of sale the purchaser would have to search the register to ascertain that no dealings had taken place.

Mr. *Bolton.*

2640. For which there would be a fee of 5*s.* in each case?—Yes; and a notification of cessation of the mortgage, so far as it affected the particular property, would have to be prepared and filed, with again a fee of 7*s.* on filing. As

Mr. *Bolton*—continued.

the trustee is a company, the seal and the resolution authorising it would have to be verified by declaration, which, apart from its being prepared and sealed, would cost in fees 4*s.*; and those fees alone would be more in most cases than the total fee charged by my firm, as solicitors for the borrowers, for preparing the document, and getting it before the board, and sealed.

2641. I think you have another case in 1893?—In 1893 I had a similar instance. I am only giving these cases because the evidence before the Committee has been very much as to dealing with land as if it was simply a dealing with one house which A wanted to sell to B, and therefore I have purposely given these larger transactions as showing how complicated the dealings with land are. In 1893 I carried out an issue of 200,000*l.* in debenture stock, secured by a trust deed (a print of which I produce) upon freehold property in Middlesex. The instructions were given on the 11th February, and, but for the necessity of giving six months' notice to existing mortgagees, the matter could have been completed in a few weeks. As it was, the completion did not take place until the 3rd October. The cost was 400*l.*, exclusive of disbursements, but this was justified by the numerous incumbrances which had to be investigated and cleared up, and it included the arrangements for the issue, and the issue of the necessary certificates. If the property had been registered under the Act of 1875, with a possessory title, the Land Registry fee for the charge would have been 59*l.* and 208*l.* 6*s.* 8*d.* for insurance fee, and there would have been heavy expense in plans. And this would have been in addition to the preparation of the trust deed, the investigation and discharge of the numerous incumbrances, and all the arrangements for the issue.

2642. If it be said that these are special and infrequent cases, you, I think, could give at least half a dozen other cases which would show that except as to particular details these are not special or infrequent cases?—They are familiar, of course, to any one who has to advise any large trust or finance company. I have three loans now pending, one for 150,000*l.*, involving 104 separate properties; another for 120,000*l.*, involving 229 separate properties; and a third of 50,000*l.*, of which I have not the details, but it is of a similar character. And there is a question upon this, I have never been quite certain as to what will be the fee for registering a large mortgage of that kind in a Land Registry. The only case of that kind that I have had was one in which I registered a mortgage on partly registered and partly unregistered land for 8,000*l.* I wished then to pay a fee based only on the value of the registered property, which was exceedingly small, as against the total property included in the mortgage, but I was told, and I think rightly, that I could only do that by limiting the charge to be thrown on the registered property; in other words, that if by accident the property should become more valuable, I should only have been entitled to receive against it the sum I so limited. I was obliged to refuse that, and we paid the entire fee for the full amount for registering the charge, and we also paid the stamp duty against the whole property. What would have happened if both properties had been registered I do not know. If it means that on these registered loans you are to register the mortgage and pay a fee 104 times over, the only satisfaction would be that the public would not stand it very long.

Mr. *Bolton*—continued.

2643. These returns and cases which you have given us, show, I think, how rapid conveyancing, even in large transactions, has now become?—It may be broadly stated that, unless it is a mortgage requiring six months' notice, if there are any delays in carrying it out it is either because the circumstances are very special, or because those who are transacting the business do not understand how to do it.

2644. I believe that delay takes place usually because the parties prefer to settle at a particular time, or because they require the money to be lent at some particular time, and not before?—In sales you usually fix quarter-day, especially when it is property in the country, where you are dealing with tenants.

2645. And, of course, it is necessary for the solicitors to please their clients, and they make their arrangements accordingly so as to take the most pressing cases first, whereas that elasticity of dealing with business could not exist in a public office?—We can marshal our business, we can take the most pressing business first; but I do not see how a registrar can or would be justified in doing that.

2646. I believe that Mr. Brickdale has said something about that in that book of his, has he not?—Yes; I think the Committee may like to refer to that; it is not very long. They will find Mr. Brickdale's opinion on pages 28 and 29 of his book.

2647. There he admitted that the officials must act according to rule, I think?—That must be obvious, I think.

2648. And the public must put up with the disadvantage of that?—Yes.

2649. That, I think, is the substance of his view?—Yes.

2650. In the main the register only deals with transfers of a simple character, but if the transactions are at all complicated, or have subsidiary arrangements, there must be supplemental deeds, must there not?—It seems to me so.

2651. And those supplemental deeds with the cautions and restrictions will necessarily involve a subsidiary title, will they not?—Yes, that would be so.

2652. And that will be the subject of investigation, even if you had property registered with an indefeasible title before it can be dealt with?—That would only throw the onus of payment for the investigation upon the vendor, instead of on the purchaser; the investigation will have to take place in order to know who is entitled to the money, whereas now the investigation only has to take place to know who is entitled to the land. You cannot avoid that. If there is a complicated title, somebody must find out who is entitled to the subject matter, whether it is in the form of land or money.

2653. So that it is a delusion to suppose that the registry,

Mr. *Bolton*—continued.

registry, and the registry alone, can ever be made the sole evidence of title, and the sole authority to refer to for purposes of title?—I do not think it is possible to do that. I am very familiar, of course, with another system, and perhaps I do not take a sufficiently clear and unbiassed view of the new system, with which I am not acquainted; but I have endeavoured to do so, and I cannot see how it can be possible to avoid a subsidiary title.

2654. If the registry were to be made the sole authority in the matter, the registry would have to be amplified in all sorts of ways and made as comprehensive as the present system, would it not?—Yes; that might be so. It seems to me that you must either put everything on the register, which was the rock on which the Act of 1862 foundered; or, if you only put the dry legal estate upon the register, the register will not simplify dealings other than those extremely simple and not very frequent dealings, where a man owning a house or a piece of land unencumbered desires to sell to another man, who only wants to buy that particular piece of land, and does not require to borrow on or deal with it. For those simple cases of vendor and purchaser, I may appeal to the experience of any auctioneer or solicitor, are the minority of cases.

2655. I think you are able to give us some instances which would illustrate the questions which I have just put to you?—I can give instances to justify the view which I have expressed, that the register can only deal with simple transfers and is inflexible. I am myself the owner of an estate in Devonshire registered with an absolute title, and in 1894 I desired to create a further charge in favour of trustees who already held a mortgage on the property, and acted through separate solicitors. The charge in the official form was prepared, approved, and executed; but on being left for registration it was rejected, on the ground that it contained two special (though, in fact, almost invariable) provisions; namely, a provision that Section 17 of the Conveyance Act, 1881 (which forbids consolidation of mortgages) should not apply; and a provision that Section 18 of the same Act (which authorises the granting of leases without the concurrence of the mortgagees) should not apply. It was therefore necessary to register a simple charge and to execute an ordinary mortgage deed containing the provisions in question, which were deemed essential to the security. It is a little remarkable that there was no objection made to registering (as was done in this very case) provisions that certain sections of the same Act (in this case Sections 19, 20, 21, Sub-sections 2–22, Sub-sections 1–23) should apply.

Chairman.

2656. What was the reason given for that?—No reason was given except that they could not be registered. I have all the papers here, but no written reason was given beyond that those clauses must be struck out, as they could not be registered.

Mr. *Warmington.*

2657. They are exceptions from the general law, are they not?—Certainly, they are exceptions from the general law. By the general law consolidation of mortgages is forbidden; but it is the almost invariable custom to say that that provision shall not apply, and the general law is also that you cannot grant a lease without the concurrence of the mortgagee; and that is, generally speaking, excluded.

Mr. *Warmington*—continued.

Mr. *Bolton.*

2658. I think you have another case to give us?—A client of mine was entitled to building land in Hampshire, and he sold a plot subject to the usual building conditions. The transfer, on being left for registration, was declared irregular, as containing two conditions which could not be registered, and the conditions were struck out. Those were conditions which any Member of the Committee who has had experience of building estates will know to be very usual. The first was that the purchaser should erect and maintain a substantial fence on the boundaries of his plot; and (2) That the plans of all buildings to be erected should be prepared or approved by the vendor's architect at the purchaser's expense. Those are almost invariable conditions. In that case a separate deed had to be prepared and completed, and a restriction or caution put upon the register, involving, of course, additional cost.

2659. There is another objection, is there not, in the case of building estates?—There is another objection which I did not discover myself until a short time ago in dealing with a building estate. It is a common practice to create a ground-rent by granting a lease to a builder of a piece of land at a small rent with a provision, sometimes expressed in the lease, sometimes resting on understanding, that if he chooses within a limited period he may acquire the fee-simple for so many years' purchase. Then the landlord sells, or more accurately may be said to release his reversion to the builder, and thereupon the lease merges without any further expense, and the builder is owner in fee-simple (putting aside the question of possible incumbrances) of the land of which before the conveyance he was lessee. You cannot do that under the register. If you sell your reversion to a builder that lease does not merge automatically; the builder must lodge an application to get rid of his leasehold title, and he must pay the fees for that, and you must lodge notice to get rid of the incumbrances that appear on your freehold property. In other words, the automatic operation by means of which building estates are dealt with, with great advantage to the parties, is impossible with registration of title under the Act of 1875.

2660. You can give, I think, another objection, can you not, in the case of building estates, that the vendor would have to search the register to see that the purchaser does register his conveyance with the restrictive covenants?—I did put down that objection, but I am not sure that it is well founded. I can see how it could be got over, by registering a deed of covenant on the whole estate before sub-selling, although, as a matter of fact, it is not now so done.

2661. That is an objection which you think could be remedied?—Yes.

2662. It is rather a matter of detail?—Yes; I do not think it is a good point.

 2663. What

Mr. *Warmington.*

2663. What was the reason why the conditions upon the sale of the building estate could not be registered; was it because they were not considered to be what you know as real charges?—That was so, obviously; it was only because they were not considered to be covenants, which ran with the land, and they were struck out.

Mr. *Bolton.*

2664. In the case of a purchaser who has mortgaged his land to his vendor disappearing, might not the vendor have a difficulty in obtaining a title?—That is another difficulty arising under another point in the Bill. The Act of 1875 says that the Statute of Limitations shall not apply to registered land. In dealing with a building estate it is not a very infrequent case that the builder comes to the landowner to be financed, and he mortgages his interest in his plot back to the vendor, probably for very nearly the value of the ground. Then, if he disappears, which is not an unheard of event, at present the vendor very often simply takes possession of the land, puts the deeds into his box, and destroys them eventually, and at the end of 12 years he gets the title without further expense for foreclosure or re-conveyance. Under the Act of 1875 that cannot be done; at no length of time would the owner be free from the risk of a suit for redemption. If he took possession of the land as mortgagee and held it, he would at any future time, so far as I know without any limit, be liable to a suit for redemption, because he could not claim the benefit of the Statute of Limitations. And that would be found a very serious difficulty in dealing with building estates. But that could of course be got rid of by an amendment of the Act if the Committee think fit to strike out Section 81.

2665. All that shows that the system which is proposed to be set up is not simple, but in fact introduces and necessitates a double title on the register in many cases; the one the registered title, and the other the real title?—Yes.

2666. And that is similar to what now prevails with regard to copyhold land, is it not?—It reproduces, so far as regards dealing with property, the old system, which Parliament considers is open to objection with regard to copyhold land, in which you have one title running through the Steward's Roll, and an entirely different and equitable title evidenced by deed.

2667. And Parliament has in its wisdom passed Acts with a view to abolish copyhold tenure and set up freehold tenure?—Parliament has passed several Acts authorising the enfranchisement of copyhold law.

Chairman.

2668. Was not that by reason of the nature of the tenure?—It was.

2669. And not by reason of the double title?—I think the inconvenience of the double title was held to be very great.

2670. But virtually to the popular mind the question of tenure is not the great grievance that it was alleged to be with regard to copyhold land?—No, but the curious thing about it is, that while Parliament has recognised the evil in copyhold tenure, the incidence of which are sometimes extremely onerous, it has only made it optional with those who hold that property to enfranchise it, and it has not yet occurred to Parliament to make it compulsory upon them to do so. It has been tried several times.

Chairman—continued.

Mr. *Warmington.*

2671. By the lord of the manor?—On the part of the lord of the manor it could be done.

Mr. *Bolton.*

2672. With regard to the mode in which the Registrar is to act, he must adhere to definite forms, must he not?—Yes; the book which the Committee have before them, the General Instructions of the Land Registry, lays it down in express terms (it is sufficiently obvious without that) that the transfer must be in the prescribed form, printed copies of which are issued by the office.

2673. And of course there is frequently very considerable skill required in filling up forms?—They must require some skill.

2674. But in dealing with the register there is a want of elasticity consequent upon the obligation to use those particular forms?—Yes, and in their being necessarily bound by very stringent rules, having regard to the system which they have to carry out.

2675. Do you think, broadly speaking, that registration as proposed by this Bill is suitable to the public wants with regard to land transactions?—Limiting my answer to the system of registration proposed by the Bill, which is that of the Act of 1875, I certainly do not think it is at all applicable to the present position of conveyancing in England.

2676. That does not depend upon *a priori* argument, does it; but you, I think, could give several instances within your own experience?—Yes, I can give some instances showing in what way the strict rules of the registry necessarily impede business, and impede their own system. In January 1893, a client of mine purchased a freehold property in London; he, at all events, had heard of the land registry, for he instructed me to put his land on the register; but he saw no advantage in a possessory title, so he instructed me to register it with an absolute title. The land had been purchased by his vendor in 1891, had been mortgaged by him in the same year, and again in 1892, and the title had been carefully investigated, and passed by me under the advice of conveyancing counsel. I anticipated no difficulty in getting an absolute title, relying on the general instructions at page 4, where they say that when a title has been passed by counsel, and so on, it is usually accepted, and that the registrar has great discretion in waiving requisitions. The papers were left; but on a suggestion from the Land Registry, and in order to avoid a refusal to register the title, the application was withdrawn; and the objection was that the property had in 1866 (27 years previously) been acquired by a railway company under Parliamentary powers, and that the title of the railway company was not sufficiently made

Mr. *Bolton*—continued.

made out. That is a sort of requisition which, I venture to say, there is no conveyancing counsel or solicitor in good practice who would ever have dreamt of taking, and it had not, in fact, been taken.

2677. Of course, the registrar was bound to take it?—The registrar was bound to take it.

2678. Because he was not in the position of a willing purchaser, disposed to dispense with matters which he did not consider to be absolutely essential to the safety of his holding?—Exactly, and that is where I think that the instructions which are issued by the Land Registry are, unintentionally, of course, very misleading, because they speak there of the registrar having a discretion which facilitates registration, whereas, in fact, the registrar either has not such discretion, or he declines to exercise it, having regard to the serious consequences that might follow a mistake.

2679. Of course, he would have to be very strict in order to protect his insurance fund?—If this Bill becomes law, that will be an additional reason for his being strict. In another case a client of mine, who owned a large estate in Essex, instructed me to register it with an absolute title. As the estate had been for very many years in the owner's family, and the title had quite recently been passed on behalf of an insurance company, who advanced about 200,000*l.* on mortgage, I anticipated no difficulty; and in June 1891 I left at the registry the original abstracts which had been carefully compared with the title deeds. After numerous interviews, and giving much official information, including the opinions of counsel taken on behalf of the mortgagees, the requisitions on the title, and the replies which had been accepted by the mortgagees' counsel and solicitors as sufficient, the abstracts were returned in July 1892 (a year afterwards), with an intimation that the title could not be satisfactorily made out. It is only fair to add that the long delay was not entirely, at all events, the fault of the registry, it rested, to some extent, with myself; it must not be taken to mean that it took 12 months to find out whether the title was good enough, but simply that the deeds were rejected by the registry as not justifying them in giving an absolute title.

2680. Because the registrar would exercise a discretion which a mortgagor lending his own money would be able to exercise, whereas the registrar would not be in a position to exercise it as a public official?—That is so.

Chairman.

2681. There must have been, I will not say an absolutely weak point, but some legal flaw in the title?—So far as I know there was none whatever.

Mr. *Warmington.*

2682. Is it the difference between what is called a safe-holding title and an absolute title?—I suppose so, but it was accepted upon the advice of counsel.

Chairman.

2683. But there is a great difference between a safe-holding title and an absolute title?—Yes, that is my point: I say that under the present system we do take safe-holding titles, whereas the registrar cannot do that.

Mr. *Bolton.*

2684. But there are a large number of safe-holding titles as distinct from absolute titles, are there not?—The majority of titles are only safe-holding titles.

2685. I think you can give us another case?—I can give you a case of my own. As I have already said, I believe I have done my best to give this system a thorough trial, and I did so on my property which I then had; I have not done so since. In 1891 I applied to place my own residence and land in Kent on the register with an absolute title. I had purchased the property in 1882, when the title was carefully examined by solicitors and counsel on my behalf (I did not act for myself); and it was afterwards independently examined on behalf of trustees, who advanced money on mortgage. After seven months' investigation the title was passed as absolute; but although I conducted the proceedings myself (that is, the proceedings for registration), and therefore incurred no legal costs, about 26*l.* was spent (I have all the particulars here) in clearing up difficulties which on the purchase and mortgage had not been deemed to be worth notice. In addition, I should, if the Bill now before the Committee were law, have had to pay 10*l.* 8*s.* 4*d.* for insurance fee on a value of 10,000*l.*, just to meet a risk to which, but for registration, I should not have been exposed. The same applies with respect to an estate in Devonshire, in the same year I think, of which I am owner, the title to which had been carefully investigated more than once on behalf of mortgagees, and of myself as purchaser. I lodged the abstract in February 1891, and after 15 months' investigation the title was accepted, but not until after it had cost me rather more than 100*l.* to clear up questions which no counsel had thought it worth while to insist upon.

Mr. *Greene.*

2686. What is the size of that estate?—About 1,800 acres. In addition, I should have had to pay 41*l.* 13*s.* 4*d.* for insurance fee on 40,000*l.*

Mr. *Bolton.*

2687. Although you have added to your property in Devonshire, with the experience you have had I think you have not put your fresh property on the Land Register?—No; I have added considerably to my property, but I have not put any more of the property upon the register.

2688. You are not opposed to a system of land registration having a fair trial, because in fact you have given it a fair trial yourself; but what you are opposed to, I understand, is that this system should be made compulsory?—That is an objection which I personally hold very strongly. I am not only not an opponent of land registration, but, as I have more than once said and written publicly, I am quite certain that a measure of land registration, framed with some assistance from practical men could be made to

Mr. *Bolton*—continued.

work satisfactorily in most cases; but I am strongly opposed to making it compulsory, because I feel quite sure that in many cases it will add largely to the difficulties that landowners have now to cope with in dealing with their property.

2689. Sir Robert Torrens, who is credited with the invention of the Australian system, entertained some doubts of its application to property in England, did he not?—He not only entertained a strong doubt, but though he became a landowner in England, he did not register an acre of his land in England, and he said that nothing would induce him to do it under this system of 1875; and he gave evidence before a Committee to that effect.

Chairman.

2690. He wrote a pamphlet upon it in which he gives his reasons?—I am not acquainted with that; there may be good reasons, but it occurred to me as a curious point.

2691. Not his reasons for not putting his own property on the register (which I do not know), but his criticisms of the Bill of 1875, namely, that it does not go far enough?—Very likely he would say that it should be universal to have an absolute title, which is the Australian system; but his chief objection was on the question of boundaries. But the curious thing about the whole matter is, that it is only those who do not believe in the Act of 1875 who appear to try it. Neither the present nor the late Lord Chancellor, who are both landowners, have registered an acre under it; whilst I, who am supposed to be a strong opponent, registered every acre of land that I then held, although I have not done so since. I do not believe for a moment in the opposition of solicitors to registration as a system, but their opposition is to the Act of 1875 as being faulty, and to making it or any other system which has not been tried compulsory upon landowners in the country.

Mr. *Bolton.*

2692. To ilustrate how easily certificates of possessory title may be obtained, and how facilities for free dealing with them (I will not put it stronger than that) may be created under this Act of 1875, I believe that you applied for a certificate of possessory title?—I did.

2693. Will you kindly tell the Committee what you had to do in order to get a certificate of possessory title?—The estate in Kent to which I have referred I also registered with an absolute title, and the experience which I am able to give to the Committee will show them, I think, the extreme facility for fraud in what is called a possessory title. I applied to register the land with a possessory title. I simply went into the registry office, and I stated (I suppose I stated it on declaration, probably) that I was the owner of the property; I did not produce a deed of any kind; I gave absolutely no evidence whatever that I had any right to the property; and upon that I received a certificate of possessory title. That certificate had all the appearance of a most official-looking document, and most people, who did not understand it, would

Mr. *Bolton*—continued.

assume that it meant that I had acquired the title by possession to the property shown on the plan. Now, it seems to me that if this Bill is to be passed in any form, a little more control must be placed upon the facility for getting a possessory title. I am sure that any Member of this Committee who has read these general instructions from the Land Registry would assume that they never register a possessory title without proof. I think I may assume that the learned Chairman himself thought so, from one of his questions calling the attention of a witness to the strict rule of 1875, Rule 6, which says that the registrar is to be satisfied that the registration cannot be concealed from a person dealing with the land. No precaution is taken to ensure that being carried out; not a deed need be produced; I do not think it is even asked for. The only precaution in my case was a short advertisement, which I did not see at the time, but was told of afterwards, in the "Times" newspaper, announcing that I had applied for a possessory title. I do not suppose that one person in a hundred saw it.

2694. I should like you to give us one or two other cases illustrating the working of the Registry; I believe you can give us some illustration about the way in which a building estate in Hampshire was dealt with?—I have been dealing with a building estate in Hampshire which was registered with an absolute title. There have been under that estate 21 sales.

Chairman.

2695. Is that the estate you have been telling us of already?—Yes, it is the same estate. There have been 21 sales under it; they have been carried out, and, although they were buying from a proprietor registered with an absolute title, the expenses have hardly in any case been less than they would have been under the present system, and in most cases they have been more. I have here a statement which I have compiled from information furnished to me by the solicitors to the purchasers, which has been verified, and which the Land Transfer Office will be able to verify, because the deeds and figures are given, showing the exact cost of every single purchase under that estate; and showing the costs charged in each case, and what they might have been charged if the land had not been registered. That statement is exhaustive; it shows every dealing with that land, and it will prove to the Committee that unless there is something very wrong in the way in which the business is conducted, I will not say by myself, but by the various solicitors employed by the purchasers (I had nothing to do for the purchasers), the saving by taking an absolute title is in very few cases considerable, and is in many cases nil.

2696. Are we to understand that this statement is a comparison between what you call the maximum scale on the one side, and the charges under the Land Transfer Act on the other?—Yes, it shows the fees paid to the registry; it shows the amount allowed by the authorised scale under the Act of 1875 for solicitors, and, in the outer column, it shows the amount allowed for

Chairman—continued.

for the purchaser's solicitors under the Solicitors' Remuneration Act, which, as the Committee are aware from the evidence, is not often reached, especially in the country.

Mr. *Bolton.*

2697. That statement you hand in to be put in the Appendix ?—Yes, I think it will be found useful. (*The same was handed in.*)

Mr. *Warmington.*

2698. Those are the costs actually paid, I suppose ?—Yes, those are the costs actually paid ; the authorised scale was charged in each case (I have all the letters here) under the Land Transfer Act, 1875, and I have added to that, in addition, the fees paid to the Land Registry. The only item that is left out here, as shown in a note above, is the stamp duty, which is the same in each case, and, therefore it was not necessary to reproduce it.

2699. Then the figures in the last column are really not the costs which, in ordinary circumstances, would be paid, but the costs which the solicitors would be entitled to charge ?—That is so ; the outer column did not come off at all ; it is merely what the solicitors might have charged.

Chairman.

2700. Then the first column, the authorised solicitor's charges, is that which was paid ?—Yes, that is what was paid in each case.

2701. In each case there were paid the full authorised solicitor's charges under the Land Transfer Act, 1875 ?—Yes.

2702. Were those paid by the purchaser or the seller ?—By the purchaser.

Colonel *Long.*

2703. Do I rightly understand that the first two columns with the figures in them are what actually was paid ?—What actually was paid.

2704. And the last column is what would have been paid if the estate had not been registered ?—Yes.

2705. Would there not have been the vendor's solicitor's charges besides ?—Yes, those are the purchasers only.

2706. Under the registry, I suppose the vendor pays nothing ?—The vendor pays nothing under the registry ; he has to make out his own title, whatever it may happen to be.

Chairman.

2707. Is it this : that the last column would have to be doubled if it included both the solicitor to the vendor, and the solicitor to the purchaser ?—It would not be doubled ; it would have to be increased ; you must add the charges that the vendor paid to his solicitor.

2708. Is that not the same as the purchaser pays to his solicitor ?—No, it is a little less.

Mr. *Ellis.*

2709. Are we comparing like with like ?—Yes, we are comparing like with like ; we are comparing exactly what would have been the expense to the purchaser if he had been buying unregistered land with what he did, in fact, pay when he bought registered land. This statement does not deal in any way with the vendor's costs in either case.

Mr. *Ellis*—continued.

Mr. *Warmington.*

2710. It is subject always to this qualification : that the purchaser's solicitor does not always get the full amount to which he is entitled under the Solicitors' Remuneration Act ?—That is so, certainly.

Mr. *Haldane.*

2711. Nor would be under the Land Registry scale ?—No ; only one cannot take so much off five guineas as one can off 9*l.* 15*s.*

Mr. *Bolton.*

2712. In connection with this estate to which you have referred, the vendor, I believe, entered into covenants for the user of the adjoining land, and a separate deed was required to carry out the arrangement ?—That is so. There had to be an application to annex restrictions, and two difficulties have occurred in regard to that. One is a great one. It is very difficult to see how the vendor can always insure that the purchaser shall register those restrictions at all. He himself can do that for his own protection, but there is a little difficulty in that. But the greatest difficulty is this, which occurred to me yesterday : I was completing one of these purchases (not one that was shown upon that statement), and it was necessary that the purchaser and the vendor should sign an application to lodge conditions (the usual building conditions), and by the rules of the registry that application to lodge restrictions must be signed by the vendor and the purchaser. In this case there were four purchasers who were trustees. The solicitors wrote up to me yesterday morning to say that it was signed by three, but that it could not be signed by the fourth, because he was in France, and would not be back for a month ; would I complete the purchase without waiting for the fourth signature, taking their undertaking. I telegraphed back that I would, of course, but on going to the registry I found that it was impossible, because the registry will only register restrictions provided that they are lodged at the same time as the conveyance. Therefore, if I had completed the purchase yesterday, it would have been impossible for me, without fresh deeds, to lodge the restrictions at all, and consequently the purchase, which would have been completed, was hung up, and the beneficiaries will have to pay something like 10*l.* interest, in consequence of the Registry Office not being able to grant a concession which solicitors are in the habit of granting in their dealings with land.

Mr. *Greene.*

2713. This statement which you have handed in does not seem to include insurance ?—No, because those are actual figures, and insurance is not at present in force. You have to add the insurance in each case if you assume this Bill to be law.

2714. I think

Mr. *Bolton.*

2714. I think you can give us another case of a client of yours which, to some extent, illustrates the difficulty of dealing with property by registration in connection with obtaining loans from bankers?—The Committee have had before them the question of the difficulty of carrying out equitable mortgages. A client of mine who resided in the south had her property put on the register with a possessory title in June 1889, and three years later she wished to borrow 1,500*l.*, and instructed me to obtain it. She told me that it was only wanted for a short period, and I advised her that it would be less expensive and more convenient for her to apply to her bankers. I had forgotten that her land was registered. If it had not been she would have done as I had in my mind, namely, I should simply have sent the deeds to the banker, and she would have taken a letter from me saying that the title was all right; she would have signed a printed form, and would have had the money the next day, and the whole cost would only have been the stamp, and possibly a guinea or two, for the report of the bank's solicitor, if it had been taken, which very often it is not. As it was, the bank were advised that they could not rely upon the deposit certificate without registering a caution, and they thought (as I thought up to that time, and as the Lord Chancellor thought the other day) that lodging a caution was a very simple matter. But they found that the land registry, in order to emphasize, as I say, the uselessness of a land certificate, have prescribed that when a caution is lodged in order to protect a deed that might be registered (in this case a mortgage), the same fee has to be charged as if a formal mortgage had been executed and registered. That is one of the facilities which the land registry affords! Consequently, this lady had to pay 5*l.* for her caution, and would have had to pay an insurance fee as well, I suppose, under this Bill. But that is not all; her total cost came to 6*l.* or 7*l.* for what ought not to have cost as many shillings.

2715. Then on discharging the loan, what happened?—On discharging the loan, instead of taking the deeds away from the bankers, she had to lodge an application for cessation, for which she paid 10*s.*; and in nine cases out of ten, being a lady, she would have had to go to a solicitor about it, and pay him a guinea for doing it. Those were the facts in connection with that lady's loan. She ultimately paid it off with a new loan. I consulted Mr. Brickdale as to a very simple form of mortgage, and was advised that it could not be carried out without a separate document.

2716. I believe Mr. Brickdale gave some opinion upon that case?—Yes, it was in that case that he advised upon a common mortgage for 3,000*l.* The only particular that I remember about that being that it gave a right to consolidate, excluding the section to which I have before referred, he advised that he approved of the supplemental draft, which he was good enough to settle himself; and he stated that the prescribed form of charge under the Land Transfer Act did not admit of adaptation to the above stipulation. That was a very simple mortgage for trustees for whom I was concerned.

Mr. *Bolton*—continued.

2717. A man in the course of his business may want, may he not, to borrow money temporarily from his bankers on his freehold property?—Certainly.

2718. Are you of opinion that the Bill will increase his difficulty in doing so?—I think it will in almost everything. Sales and transfers are far from being the only or the majority of dealings with land. Apart from the borrowing with which I have dealt, and of which I speak with some little authority, perhaps, because I am concerned with one of the largest branches of one of our London banks; bankers are constantly in the habit of accommodating a client upon these deposits, and the necessity of going to the registrar, and, in the country, whatever the terms of the Act may be, the almost inevitable publicity, will be a very serious drawback. At the present time loans obtained by the deposit of deeds are readily carried out; it does not take more than a few hours; it is very easily and well carried out, and the only risk that the banker runs (apart from crime, which he is willing to risk) is the risk that has been referred to more than once, that it is possible that the deeds may show a title to more land than the owner possesses. I have rarely known such a case, but cases have occurred. But I should like to point out that you need not, for the purpose of obviating that, upset the present system of conveyancing, any more than you need burn down a house in order to roast pork. It is simply a rule of the courts that a purchaser has under the present law no right to require notice of his conveyance to be endorsed on the common document of title. If you only reverse that rule, the fraud which has been referred to of making deeds apparently show a title to more than the owner possesses, would be impossible.

2719. It is a very common case, of course, when you are buying a portion of an estate to ask for permission to put a memorandum on the last title deed relating to the whole estate, and it is frequently conceded; but sometimes it is refused, is it not?—It is very often refused; it is not the practice.

2720. You mean that it cannot be insisted upon?—It cannot be insisted upon, and it is not the practice in consequence.

Chairman.

2721. Unless a covenant might be made to annul it?—Yes; but I cannot see why it should not be the law. I have often suggested that the purchaser should have the right to require notice of his conveyance on a common title, and then there would be an impossibility of fraud.

Mr. *Bolton.*

2722. Will you tell us what in your experience as a solicitor, acting for a considerable bank, is the custom with regard to obtaining money on deposit of deeds?—I have stated that almost with sufficient fulness. It is a very simple process; the bank manager takes the deeds; he does or he does not require a report from the bank solicitor, he fills up a printed form and hands over the money, and when the loan is discharged

Mr. *Bolton*—continued.

discharged the deposit is simply destroyed, and no record remains of it.

2723. You are aware that under the Bill before us there is a provision which appears, I think, for the first time in any Bill of the kind, providing for a special deposit certificate being issued. What do you say about that?—I cannot quite understand it. I cannot conceive what use there can be in a double certificate, particularly since the Bill provides that anyone who chooses when he takes out his land certificate may ask to have it endorsed as a deposit certificate; in other words, one document will do for both purposes if the man chooses, whereas if he forgets to ask for it at the time, he must come and get a fresh certificate, which, so far as I can see, is absolutely useless. If the Bill simply required that the provision of the Act of 1875 should be carried out (and it has only been set aside by a stroke of the pen of the registrar, without any rule or authority that I can discover), if the Act were carried out and the land certificate were made equivalent to a deposit certificate in accordance with Section 81, no difficulty would occur, and, in my judgment, if the Bill were to proceed the simplest plan would be to strike out Clause 14 altogether, and simply to provide, as will be suggested later on in a paper which I shall ask leave to put in, that the production of the land certificate should, as in Australia, be made necessary on every dealing. You have to produce your conveyance now; and why it should be more difficult to produce your land certificate than your conveyance I have never been able to understand. Nor have I been able to ascertain at the registry what the difficulty was. Of course the issue of two certificates means two fees; but one would rather hope that that was not the only reason for it.

2724. Then, when these loans made by bankers on deposit have been paid off the lien on the property is disposed of generally by the destruction of the memorandum of deposit, is it not?—Very frequently.

2725. Do you consider that if there was a registry, loans of this kind could be carried on with such facility?—No; I have explained the difficulties that there are with regard to that.

2726. Perhaps you could illustrate those difficulties by reference to the custom adopted by bankers with regard to mortgages on stocks and shares?—That is a very good illustration. Banks now habitually lend on the deposit of share certificates, coupled with a duly filled up and stamped transfer, which they hold (they used to do it with a blank transfer, which is not now safe), because they know that so long as they hold the certificates there cannot be any transfer upon the register of the company without either direct fraud or an alteration of the status of the customer, as by bankruptcy. Practically those are two risks that they are willing to run, and they are very slight.

Chairman.

2727. Do they give any notices?—Not in those cases.

2728. Were we not told, or perhaps it was in another Committee, that some banks do give

Chairman—continued.

notices, and that insurance companies do particularly?—Insurance companies would; but I do not think that an insurance company would grant a loan unless they actually registered the shares in their names. I know that we should not in the insurance company of which I am a director, because it would not be a temporary loan.

2729 They could give notice?—Yes, they could give notice; but it is a difficult question to know what the effect of it is. I know that there is a way of giving a formal notice by what is equivalent to a distringas, but a secretary receiving an informal letter often asks, "What is the effect of that; am I bound to take notice of it?"

2730. He would be bound to take notice of a distringas?—Yes, a distringas is binding; it is by letter that I refer to. Notice by letter has been given, sometimes such a document has been referred to me, and it is difficult to know what the effect of it is.

Mr. *Bolton.*

2731. The secretaries, you say, do not recognise that?—They do not, and I believe that the only effect of letters of that kind is that if the owner comes and says, "I have lost my certificates, and I want duplicates," the secretary can say, "I have received a letter which says you have deposited them."

2732. You are aware that leases must be noticed on the register under the Bill, and the Bill does not restrict its operation with regard to leases to those under 21 years; but it is suggested that that might be made clear by a provision to the effect that the leases to be dealt with by the Bill shall be defined to be leases similar to those put at the present time on the Middlesex Registry?—Yes.

2733. But, of course, a proprietor frequently wants to grant a lease for more than 21 years, and in that case, of course, the putting of the lease on the register is entirely an additional expense?—Yes, there has to be a double application. But the great danger, I think, is that it is very probable that the lessee taking the lease would have no means of knowing whether the proprietor was registered or not. It is an unusual thing to ask for evidence of title, in my experience, certainly not after one or two leases have been granted; and if a lessee for 99 years does not know that he is on registered land and therefore does not register his lease, that lease is void against a transfer for value.

2734. And I suppose, if a man wishes to have a lease recognised as absolute in point of title, as an indefeasible title, he must not only carry his lease in, but he must take his landlord's title in to be investigated?—No, I do not understand that that is so; I think not; I think he can get a title to his lease as apart from a freehold title.

2735. But if he wants to have an indefeasible lease, he must carry in his landlord's title, and show that his landlord is entitled to grant the lease, must he not?—If he wants to show that his landlord is entitled to grant the lease, he must show it, but the Act does not necessarily require it. You can take in your lease, and get what is called an office copy lease, which merely says,

Mr. *Bolton*—continued.

"You, A. B., are entitled to this particular lease."

Chairman.

2736. Provided that your lessor is entitled to grant it?—I was just going to put in that qualification.

Mr. *Bolton.*

2737. But the system of registration professes to give absolute title, and a leaseholder cannot acquire an absolute title to the lease without, of course, establishing to the satisfaction of the registrar his landlord's right to grant the lease?—That is so; but I think that is the same now.

Chairman.

2738. I think you are right there; you can, in effect, obtain an indefeasible lease by establishing the landlord's right to grant it, but you are not bound to do that?—Yes, and you would very seldom be able to do it, because you could not get the title from the landlord.

Mr. *Bolton.*

2739. Then to that extent it would be of very little practical advantage?—Yes, to that extent.

2740. The effect of this Bill, then, so far as leases are concerned, is that the lessee will deposit such leases as come within the Act, and will get an official copy of his lease, and in addition to having to pay the costs of the lease, he will have to pay further charges besides?—Yes, but I think you will find that he need not do that. You will find that he need only lodge his actual title, his lease, I mean, under the Bill.

2741. With regard to questions of exchange (as between landowners) and easements, I think you would like to say something to the Committee?—I think it will be found that the intervention of the registrar in many cases would be extremely inconvenient, not only in purchases and sales, but if a landowner wants to appoint a new trustee or exchange a piece of land with his neighbour. I think that Mr. Wolstenholme doubted whether that was within the Act; but it would be if any money passed, because the exchange would take the form of cross-conveyances. If the landowner wanted to extend a boundary, I can give an instance which happened within my own experience about two months ago. In the house that I live in the boundary was very much vandycked, and I suggested to my neighbour that we should run a line down, a give-and-take line. He would have done it at once, but he would have got into difficulty if he had. He consulted his solicitor, who said, "No, that arrangement would be very good for Mr. Lake, because his land is registered with an indefeasible title, and, therefore he will get a good title against so much of the land as you give up; but you will never get a title for the piece of land that he gives you in exchange." That is an absolute fact. It could only have been done by two deeds. I shall be glad to hear that it is not so, but there is no other way of doing it so far as I know.

2742. In case of the death of a landed proprietor, I do not suppose that this Bill will give very much increased facilities for dealing with property, will it?—The Bill will facilitate matters a good deal

Mr. *Bolton*—continued.

if it authorises the appointment of a real representative, which will be a great reform in conveyancing whatever happens to this Bill. But at the present time, dealing with the law as it is, when a man dies with or without a will, the formalities that have to be gone through are something rather appalling. I have the official instruments here. It takes all that (*producing a bundle of documents*) to explain what you have to do. These are instructions for procedure on the death of a registered proprietor. But, as I say, that will all be got rid of by the appointment of a real representative, and, therefore the Committee will probably not think it worth while to go into that.

2743. In connection with the death of a proprietor on the register, there would, of course, be fees to pay on entering that fact?—There would be fees in any case, as there would always be required a certificate of death or of burial, and a certificate of identity, and the production of letters of administration or probate; and I think it is hardly fair to say what would be required now, as I presume that a real representative will be appointed. If a real representative is not appointed then the requirements are extremely onerous.

2744. In fact the appointment of a real representative is almost essential?—It is absolutely essential to any reform of conveyancing quite apart from any question of registration.

2745. And I presume it will be recommended under any circumstances?—Quite so; subject to that the fees would be varied from 5*s.* for 300*l.* and under, to 10*l.* for 62,000*l.* and over.

Mr. *Warmington.*

2746. Upon the death of a registered proprietor, who leaves a will, will they register the devisee without notice to the heir?—No, they will not.

2747. That, of course, may entail considerable delay and expense?—I do not see how, if the heir was out of the country, you could ever get on to your registered land at all; you have so much to do.

Mr. *Bolton.*

2748. Especially as cases sometimes occur for which an arrangement must be carried out within a limited time, and which would be very difficult to carry out on a register?—There was one special case which came within my business, in which, if the land had been on the register, the consequences would have been absolute ruin to the owner. He was a very large landowner, and, as is not uncommon, he was very much encumbered, and the estates stood limited to the joint appointment of himself and his son, and it was absolutely necessary that he should have a sum not inconsiderable in amount, 8,000*l.* or 10,000*l.*, at once in consequence of an encumbrance which he had rather foolishly created, and which was being very hostilely pressed. It was impossible to create a security in this country, because his son was in New Zealand; he was on official duty there. The difficulty was got over by a deed being drawn here, and being telegraphed in full (it was not a long

Mr. *Bolton*—continued.

long deed) over to New Zealand with instruction to the son to take it to the notary of the English agent or authority there, and to telegraph on what day he would execute it. He telegraphed back that he had executed the deed and posted it. Thereupon, the father, in this country, executed a duplicate; it was all done within two or three days; the money was advanced by an insurance office, and the incumbrance paid off. That could not have been done by the registrar; he would not have been justified in taking a mere certificate of execution at that distance from the country; and it could only have been done in this country by there being reliance on the parties by all the persons concerned. That would be absolutely impossible by any system with an official, who by his duty would have been unable to make a concession of that kind.

2749. Then, on the whole, the difficulties and the complications in any system of registration of title are so great that in your opinion it should not be made compulsory, even though it may be left to establish itself as a voluntary and alternative system to be adopted by those landowners who believe that it is suitable to their peculiar circumstances. That is your opinion, I understand?—Yes.

2750. And if, notwithstanding that view, the Committee thinks that the experiment should be tried, the Bill should specify and limit the particular district to be experimented on?—I think it should.

2751. And you think that the experiment should be tried only for a limited time, so as to come again within the review of Parliament?—I think so. In view of the very great importance of the matter, and in view of the extreme difficulty that would result from a mistake, I do not think that Parliament ought to part with the control of this measure. If it were thought desirable (which we hope may not be the case after the evidence that has been given here) that it should be made a compulsory measure, I think that the area over which it should be compulsory should be strictly defined by the Bill, which will then be an Act, and should not be extended until after a reasonable period for experiment or without the authority of Parliament.

2752. Do you also consider that proprietors should have permission to remove their land from the registry if they think it desirable to do so?—I think there are many particulars, of which that is one, in which the Act of 1875 might be improved and made more popular. I am only repeating the evidence which Mr. Hunter gave, and with which I entirely concur on that point, in saying that one of the chief difficulties is that if you advise a client to put his title on the register you are advising him to take an irretrievable step. In some cases my clients have refused to go on avowedly on that ground. It is difficult to know how you can properly advise a client to go on if you know that he is leaving a system which he understands, and which you understand in favour of a system which has never yet been tried at all on any scale, and which, in the opinion of some (of whom I am one), will involve great inconvenience and

Mr. *Bolton*—continued.

additional expense. That opinion was very strongly expressed by Mr. Brickdale, whose reasoning I desire to adopt. I believe he has changed his opinion, but not his reasons, and they are very powerful; they will be found at page 71 of the book that he was good enough to write some time ago.

2753. Do not you think that, if permission were given to remove the land from the registry, it would increase the probability of business at the registry?—I believe that a great deal of land would come on the register if you could take it off again if you were dissatisfied, and that for two reasons: In the first place, the fact that you could take it off would be a great inducement to the Registry Office to afford every facility that they could so as to show that the system was a good one; and another reason is, that clients would not be afraid of going on the register, and solicitors would not hesitate so much to advise them to do so if they were taking a step which they could retrace. There is another separate reason altogether. I think that frequently it would be found advisable in the interests of landowners, as they deal with estates, to apply to register with an absolute title even if they afterwards took the land off. They would get then what is equivalent to an order of the Encumbered Estates Court, Ireland, a perfectly clear title to start with; and it would be the fault of the solicitor if the title was afterwards complicated. No good conveyancer would ever draw a settlement or will in such a form as to make it necessary for the purchaser or the mortgagee of the purchaser to investigate the equitable title. Trustees, if they are interposed, are always given power to give receipts, and to discharge the purchaser from all equitable claims; and under the Acts of 1881 and 1882, a tenant for life can usually do the same thing. My opinion is fully justified by this. It has occurred to me, as it has occurred to most solicitors in practice, to have to advise clients to go to the expense of obtaining a Private Bill, at a cost, I daresay, of 1,000*l.*, whereas the object might equally well be attained by applying to get the title on the Land Registry, provided that there was power to take it off again if necessary.

2754. And that would be in accordance with the principles and policy of an Act which is already on the Statute Book, but under which I do not think there has been a single case, namely, the Declaration of Title Act?—Yes, it would carry out that policy. That Act, as Mr. Warmington knows better than I do, is a rather complicated system of procedure, and I think there has never been an application to proceed under it.

2755. But, at all events, the policy has been sanctioned by Parliament?—Yes.

2756. And it has been repeated in the various Estates Acts which from Session to Session have been brought into the House, to do what you suggest might be done under the form of registration, provided that the owner could take the land off the register after he had gained the benefit of registration?—Yes.

2757. Namely, the certificate of title?—Yes.

Mr. *Bolton*—continued.

There is another point on which, I think, the Act might be amended, which is, that instead of the title being an absolute title so that the register should always be conclusive, I think it should be a guaranteed title. The State might fairly say, if they adopt the register at all: "If you buy land on this register you are certain of getting the property or getting compensation for it if there should be fraud, or anything affecting the title of the true owner." That, again, was Mr. Brickdale's very strong opinion, which you will find at page 44 of his book, where he has expressed his views very much better than I could express them here; and, on that point, I think, it is Mr. Brickdale's opinion still, but I have no right to say so. His papers on this subject are very numerous, and in his lectures, from which alone I speak, I have never seen any change of opinion with regard to the much greater advisability of a guaranteed title than an absolute title.

2758. That is to say that the true owner should remain, and any person who has been defrauded or who has lost money by mistake or error should be compensated?—Yes; the great advantage is that it would give the registrar a discretion which he does not now possess; it would enable him to say as counsel advising now would say, "The risk and danger from that particular difficulty is so slight that I can allow the State to guarantee against it;" whereas now he might be depriving some true owner of property that ought to be his.

Mr. *Warmington.*

2759. I suppose on the terms that the State exacted an insurance fee?—I should almost have thought that if the State were compelling you to adopt a particular system the State ought to bear the cost of it; but I can see reasons against that, and I am not here to discuss it. There must be so far as regards the title an insurance fund of some kind; whether it falls on the landowner or on the State is a matter of policy.

Mr. *Greene.*

2760. And it is only if it is compulsory?—Yes.

Mr. *Bolton.*

2761. From what you have previously said, I infer that you are of opinion that the production of some root of title should be compulsory on first registration with a possessory title?—Yes, I think that it should be imperative to require the production of some root of title or documentary evidence of ownership except in the single case of ownership by adverse occupation, but I think that there should be always something besides the applicant's own statement to show that he has some interest in the property.

2762. At all events there should be a sort of *primâ facie* case of ownership?—Yes, simply to show that he is in possession, and does actually own the property. Then, as I have already said, I think that the production of the land certificate or charge certificate should be compulsory on all dealings, and I will not repeat the reasons which I have given for that, I think very strongly. Then another change that might be made in the present system is, that succession duty should cease to be a charge upon land in the hands of a purchaser for value. If succession duty is to remain an encumbrance on all registered land, I do not see how it is possible to avoid investigation into the earlier title. For example, A. B. in 1895 registers land with a possessory or absolute title. In 1905 C. D., purporting to be owner under the same title, transfers for value to a purchaser. But between 1895 and 1905 there may have been half a dozen deaths on the equitable title, each of which may have given rise to a claim for succession duty, which is a first charge upon registered land, or appears to be a first charge upon registered land, though I think there is some doubt cast upon it. It ought to be made quite clear that succession duty is not a charge upon registered land in the hands of a purchaser for value.

Monday, 17th June 1895.

MEMBERS PRESENT:

Mr. Attorney General.
Mr. Thomas Henry Bolton.
Mr. John Ellis.
Viscount Folkestone.
Mr. Greene.
Mr. Haldane.
Mr. Seale-Hayne.
Colonel Long.
Mr. W. F. D. Smith.
Mr. Tomlinson.
Mr. Warmington.
Mr. Wayman.
Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. SAMUEL OGDEN WARD, called in; and Examined.

Mr. *Bolton*.

2763. YOU are a Magistrate for the County Borough of Oldham, I believe?—That is so.

2764. You have been a member of the council of the borough as councillor first, and as alderman afterwards, for a period of nearly a quarter of a century?—For four-and-twenty years.

2765. You are a director, I believe, of one of the largest and most successful banks in Oldham?—I am.

2766. And you have been connected with building societies in Oldham for many years, have you not?—For about 40 years.

2767. You are chairman of several building societies, I believe?—That is so.

2768. You have also been connected, have you not, with limited liability building companies at Oldham?—Yes.

2769. And you are chairman of one of those companies at present?—Yes.

2770. I believe you have personally bought and sold property to a very large extent by means of building societies and building companies?—That is so.

2771. What is the solicitor's fee with those building companies for a mortgage of any amount at Oldham?—The building company have an arrangement for a charge of 1*l.* 15*s.* for a mortgage of any amount. With ordinary building societies the charge is from two guineas to 2*l.* 5*s.*

2772. Then there is occasionally an extra charge for investigating title where that is necessary?—That is all fixed by the rules of the societies generally.

2773. What would that amount to?—There is generally a charge of about a guinea for investigating title, or something in that way.

2774. I suppose you have some large amounts advanced on mortgage by building societies with those very small payments for fees?—Yes; sometimes they run to some thousands of pounds. I have known one case of 6,000*l.* advanced by a building company where the charge was only 1*l.* 15*s.* for the solicitor's fee.

Mr. *Bolton*—continued.

2775. What was the charge for examining the title?—In that case it was two guineas.

2776. So that the solicitor's charge under the scale you have mentioned was only 3*l.* 17*s.* for that large transaction?—I will show you the bill if you have no objection. The society pays the charges mentioned there, and the amounts advanced on mortgage are shown there too (*handing in some bills of costs*).

2777. This is a bill of costs sent in by solicitors to the Oldham Building Company, Limited?—Yes.

2778. I find here the following items (I abstain from mentioning names of course): mortgage, 1*l.* 15*s.*; notices, one guinea; then there is another item, equitable mortgage, one guinea; then there is another item lower down, equitable mortgage, one guinea; then there is another item, mortgage, 400*l.*, 1*l.* 15*s.*; investigating title, one guinea; then the next item is mortgage, 1*l.* 15*s*; then there is "solicitor's charges for putting discharge on a mortgage of 1,000*l.*, amounting to 3*s.* 4*d.*" The next item is "mortgage, 1*l.* 15*s.*"; investigating title, 2*l.* 2*s.*: that is on a transaction relating to an advance of 7,000*l.*?—Yes. The item 3*s.* 4*d.* is for solicitor's charge for endorsing a receipt for a further advance on the mortgage deed.

2779. The next item is "mortgage, 1*l.* 15*s.*" I have taken consecutively the items of the solicitors' charges in the various transactions?—That is so. The company charge the various members with those amounts; the company pays the bill.

2780. The total amount of the solicitors' charges on those various transactions, and some other transactions of a small amount as to costs, were 15*l.* 17*s.* 8*d.* The Government duty on the transactions seems to be 14*l.* 16*s.* 6*d.*; that is so, is it not?—The items are shown there.

2781. You produce this bill of costs in order to show the small amount of charges that are made by solicitors at Oldham to the Oldham Building Company, Limited, and other companies for which they act?—Yes; I have taken

Mr. *Bolton*—continued.

this from the books of the company. We have charged the various members with those amounts.

2782. There are a number of other bills of costs here; may I take it all those bills of costs are upon the same scale?—Yes.

2783. Is it a fair specimen which I have taken?—Yes, it is a fair specimen.

2784. In connection with the fees charged by solicitors at Oldham for the conveyance of property at Oldham generally, is it your opinion that the scale which has been adopted by building societies and building companies in their transactions has influenced the charges in the general transactions throughout the borough?—I believe so.

2785. Is it the fact that in the generality of land transactions which pass through solicitors' offices in Oldham and the neighbourhood the charges of solicitors are somewhat like in amount those you have mentioned?—They are somewhat similar.

2786. They are very reasonable?—They are very reasonable. There is no cause to complain.

2787. Unless there is something very exceptional about the title may I take it that the fees range from 2*l.* 2*s.* to 5*l.* 5*s.* for conveyances, and about 4*l.* 4*s.* for a lease and duplicate?—That is so.

2788. Have you ever known in your experience of a single case where the full maximum scale of charges authorised by the Solicitors' Remuneration Act has been charged?—It has not come within my knowledge; I have not known of any case.

2789. It may be taken as the fact, may it not, that there is no complaint whatever in Oldham and the neighbourhood with regard to the charges made by lawyers for costs to building societies or building companies?—I have heard of nothing to complain of.

2790. There is no complaint made with regard to lawyers' bills in Oldham generally?—No, I do not know that there is.

2791. I believe you have heard some complaint made with regard to the Government duty?—I give an instance in the paper I have handed in where the duty is somewhat heavy at times.

2792. Have you ever heard anybody complain of the present system of title to property by deed, and transfer by deed, instead of on a register?—We have had no experience of any register. It has all been done by deed. I have never heard any complaint with regard to the present system.

2793. Have you ever heard anybody desire the establishment of an office and a register and a public official as registrar to do this work?—I have never heard the question raised.

2794. Do you consider that there is any necessity for the establishment of a public register?—I have never heard of any necessity, and I have never heard the question raised. I am quite satisfied with the system at present in use.

2795. You attend, do you not, many meetings of building society members and persons interested in property at Oldham, especially small property?—I am very largely connected with building societies generally, and I attend on the average two or three meetings a week.

Mr. *Bolton*—continued.

2796. You have heard those people talk about the charges in connection with such transactions, but you have heard no complaint?—I often hear them speak about it, but I have heard no complaint.

2797. These transactions are done very quickly at Oldham, I believe?—In the course of a few days; in fact they can have it done in a very short time. There is much competition in the town of Oldham, and there is no complaint whatever as to delay on the part of the solicitors.

2798. The work is done efficiently and promptly?—It is done efficiently and promptly.

2799. Have you ever heard of any persons losing money by robbery or forgery of deeds?—No.

2800. The people who have to deal in land know the professional men and employ those in whom they have confidence?—The solicitors are well known, and nobody finds any difficulty in dealing with them.

2801. As a man of business, would you rather prefer to have the land transactions, large and small, dealt with as they are now by the professional men in your neighbourhood at these charges than by a public official at a registry office at Oldham or elsewhere?—I am quite satisfied to have the deeds in my office, or in my own charge. Then there are a great many covenants, which have to be borne in mind. For instance, a man takes land and builds 30 or 40 houses and sells them off to working men, and covenants are entered into with regard to rights of road and easements, and so on.

2802. As a man of business at Oldham, you think it is more convenient for you to have the deeds in your own control to refer to than it would be to go to a public office?—Much more convenient.

2803. You prefer the present system to the establishment of a register and a public office?—If you have the deeds in your own keeping you can refer to them at any time you like. I should prefer that myself, certainly.

Mr. *Haldane.*

2804. Have you studied the land registry system?—No, I am not very familiar with it.

2805. Have you looked at the scale of fees under the land registry system?—No, I have not.

2806. Let me draw your attention to the scale of fees; you are a banker, are you not?—I am a director of one of the banks at Oldham.

2807. I will take the case of a mortgage first: what does it cost on an average to effect a mortgage at Oldham for 100*l.*?—In the building societies it runs from about 2*l.* 2*s.*

2808. According to the scale of charges under the land registry system the charge for registering a mortgage not exceeding 100*l.* is 10*s.*; you are not aware of that perhaps?—I am not familiar with the land registry system; I only give the facts we have to do with in Oldham.

2809. For registering a charge exceeding 100*l.* and not exceeding 200*l.* the fee is 15*s.*; if that could be done it would be better for your business,

Mr. *Haldane*—continued.

ness, would it not, than the system you have at Oldham now?—If other things could be arranged equally as well.

2810. Taking the case of building estates, I gather you are not familiar how the thing would be done under the register system?—No.

2811. I will tell you. Under the register system there would be prepared schedules of restrictions or covenants (they are the same thing, but I will call them covenants for the sake of argument); those covenants would be put upon the register along with the title of the estate. I suppose you have fee farm grants under the Oldham system; the land is held in fee simple with a rent charge?—In some cases that is so, but it is mostly on long leases; leases of 999 years.

2812. Whatever it was there would be simply an entry upon the register which would be carried out in many cases without the intervention of a solicitor, intimating the transfer by way of leasehold or grant of the fee of a piece of land and a reference to the deed of restriction. The fee for registering a charge exceeding 50*l.*, and not exceeding 100*l.*, 10*s.*; exceeding 100*l.*, and not exceeding 200*l.*, 15*s.*; exceeding 200*l.*, and not exceeding 300*l.*, 1*l.*, and so on. I do not say there would not be occasionally extra costs, but that would be the scale. Would not that be better for you than the existing system?—If that was all it would be cheaper, but how would you enter into covenents?

2813. On the register?—You would want some deed and some charge for that.

2814. No, on a transaction of that kind the rule is that there is no fee charged but an *ad valorem* fee, such as 10*s.* for the transfer of an interest such as I have spoken of with a reference to the deed of restriction?—Then it could be done without any covenant entered into for easements.

2815. You would have schedules of covenants for easements on the register, but you would not have a long deed. I am not saying at this moment that everybody agrees that it could be done as simply as I have stated, but if it could be done it would be better for your business; would it not?—I should have no objection if it could be done equally as well and equally as cheaply.

2816. And it would be better for your business if it was cheaper?—We always have an eye for cheapness. I do not know whether it would give you any information to show you how we deal with these plots at present.

Chairman.

2817. We know that, I think?—I have a conveyance here if you care to look at it (*producing a conveyance*).

Colonel *Long.*

2818. You have been told that the thing for which you now pay 2*l.* 2*s.* would probably be done for 10*s.* or 15*s.* under the register, and you naturally say you would like that if it could be done?—I should not object to any system that would cheapen it, certainly.

2819. If there is a fair chance that you will have to pay the same costs you do now to your solicitor, as well as that 10*s.* or 15*s.*, would you then not rather go on as you do now?—Then I would rather stop as I am, certainly.

Mr. *Tomlinson.*

2820. I take it from your answers to Mr. Haldane, that you have never seen the scale upon which he examined you?—I have not.

2821. I understood you to state that at present with your building societies a mortgage up to 6,000*l.* is done for two guineas?—£1 15*s.*, exclusive of stamps.

2822. You will see under the register if you refer to the scale a mortgage of that amount would come to 9*l.* or 10*l.* without the stamps. If that is the case there would not be the advantage that Mr. Haldane suggested under the register, would there?—No.

2823. What is done in the case of a mortgage for this 1*l.* 15*s.*?—If it is a lease of a plot of land, you take it to a solicitor and he prepares the mortgage deed, and we have an arrangement that the man is to pay 1*l.* 15*s.* to the solicitor for the mortgage, whatever the amount of the mortgage may be.

2824. Do you consider what amount ought to be advanced?—The managers of the building society, or company, decide what amount shall be advanced; then the solicitor executes the mortgage deed by arrangement for 1*l.* 15*s.* exclusive of stamps and parchment, and costs out of pocket.

2825. It might be an element, might it not, in considering how much ought to be advanced; what were the covenants to which the land was subject?—Yes, the solicitor would have to go into that.

2826. Mr. Haldane talked about having a registered form of covenants, as I understand, which would apply to every case on a particular estate; that is to say, a particular estate is taken to be registered, and a schedule of covenants is put on in respect of the estate; that is what Mr. Haldane suggested, I think; have you had much experience in dealing with plots of land on building estates?—Yes, in building plots.

2827. You know that those plots are always sold subject to building covenants?—Yes.

2828. Would it follow that the same building covenants were applicable to all parts of the estate?—Sometimes they may be a little exceptional, but as a general rule the covenants are mutual, the ordinary covenants. What happens is this: a man has an estate and builds 30 or 40 houses which he sells off to working men who all have to enter into covenants.

2829. That is supposing they are all the same sort of houses; but supposing you have an estate containing partly cottages, partly houses of a superior kind, and partly streets where there are to be shops built, and partly manufactories; is it your experience that the same covenants would do for all of those?—No, they would have to be varied covenants.

2830. In that case it would be necessary in each case to consider what the covenants were, having regard to the character of the case?—Yes.

Mr. *Tomlinson*—continued.

Yes, having regard to the peculiarities of the case.

2831. If you had one form of covenants for the whole of an estate, it would not give you the same elasticity in dealing with the estate that you would otherwise have?—No, the covenants would often have to be exceptional.

2832. Somebody would have to consider what covenants were applicable to the particular estate?—Yes.

2833. And somebody would have to be paid for that?—Yes.

2834. Then in addition to the cost of registration, there would be this important matter of dealing with the covenants?—That always seems the greatest difficulty in dealing with the register, as to the peculiar kinds of covenants.

2835. Your solicitor would have to be satisfied as to whether the covenants were proper, and that would have to be paid for, I presume?—Yes.

Mr. *Greene.*

2836. Does your solicitor charge, in addition to the sum you have mentioned here, for out-of-pocket expenses?—Out-of-pocket expenses are always embraced in the bill.

2837. You said that he did the conveyance for a specified fee?—Yes.

2838. Over and above that fee are there any expenses?—There are a number here, as you will see from this (*handing the bill of costs to the honourable Member*).

2839. I see there is duty and parchment that has to be paid for. I see, taking Schofield's case for a mortgage of 1,800*l.*, there is a fee for the mortgage of 1*l.* 15*s.*, and 2*l.* 10*s.* 6*d.* for the duty and parchment?—Yes.

2840. That is all you have to pay?—Yes; the company pays that, and then it allocates it to Schofield and the various parties.

2841. Is that the payment by the company?—The company pays in the first instance, and allocates it to the various members.

2842. Then the mortgagor has ultimately to repay that?—Yes.

2843. Is there any expense in inquiring whether the mortgagor is in actual possession of the land?—No; there is no expense except investigating the title and making the mortgage. Of course we are all familiar with the land and with our members' positions; as managers we are familiar with the business.

2844. The information which you have been giving the Committee relates to dealing with members of the building societies?—Yes.

2845. You do not lend money to people outside the society?—They become members at once; they come and join the society.

Chairman.

2846. You told us of this practice of charging 1*l.* 15*s.* in the case of one special building company, and I suppose there are similar charges for other building societies so far as you know?—They run from 2*l.* 2*s.* to 2*l.* 5*s.*

2847. That applies for small transactions and large transactions alike?—Yes. For mortgage deeds.

2848. If there is any cost in investigating the title there is a further charge?—Yes, of about 1*l.* 1*s.* to 2*l.* 2*s.*

2849. That is for small transactions and large alike?—Yes, unless there is something very special in the very large transactions; there might be some little difference.

2850. It would be substantially the same I take it. You gave an illustration of a very considerable transaction of 6,000*l.*?—Yes.

2851. You said the charge there would be 1*l.* 15*s.* if there was no cost of investigating title?—In that case there was 2*l.* 2*s.* for investigating title, but that was a special case.

2852. That would be 3*l.* 17*s.* altogether?—Yes, exclusive of stamps.

2853. The building society in question has a great deal of work, I presume?—Yes, a very fair amount.

2854. And there is also competition which reduces the price as you say?—Yes.

2855. It is not an isolated transaction?—No.

2856. I am not perfectly certain at the moment whether it is so, but I have got some reason for thinking it is, and I can be corrected if I am wrong; is it not the fact that the costs allowed by law for the remuneration of solicitors in the absence of agreement for a transaction of 6,000*l.* are 50*l.* for the seller, and 50*l.* for the buyer?—I have not known any charges of that character.

2857. But supposing a private individual instructs his solicitor to buy land for 6,000*l.*, and there is no arrangement, you do not know whether that is the charge that would be payable?—I have never known the "scale charge" made in our town.

2858. You are speaking only of mortgages. I understand there is a difference in the scale in that case. However, I understand you to say you have never known in the case of building societies the legalised scale being charged; I suppose because they all make arrangements by reason of the large number of transactions?—Yes, that is usually fixed in the rules of the society.

2859. Because of the large number of transactions?—Yes.

2860. You have spoken of these charges affecting the general charges of solicitors in the town?—What I say is that the moderate charges which have prevailed, no doubt, have had a salutary effect upon business.

2861. You mean upon the solicitors' charges?—When the charges are moderate, they, no doubt, conduce to business.

2862. All I want to know is whether you merely say you think that probably is so, or whether you have knowledge yourself of a sufficient number of private mortgages and sales to be able to tell us definitely?—I have dealt largely with private mortgages and private conveyances and leases on my own account, exclusive of the building societies, and the moderate charges that prevail, no doubt, have conduced to business; if they had been very excessive charges it might have militated against business.

2863. Have you ever had to deal with a mortgage of 6,000*l.* as a private transaction as an individual?—I have had no complaints.

2864. I am asking the extent of your knowledge;

Chairman—continued.

ledge; do you purport to speak with authority about the general moderation of solicitors' charges upon the transfer and mortgage of land?—I speak from my own experience as a private dealer.

2865. You say they have not charged you much?—I have had no cause to complain.

2866. Have they charged you as little as they charge in the case of a building society?—Possibly a little more than that.

Chairman—continued.

2867. As regards the register and the benefits to be derived from a register, I suppose you would like whichever is the cheapest and best system, but you really cannot, I suppose, give us any authoritative information as to whether a register would be an advantage in that respect?—I have had no experience in that direction.

Mr. BENJAMIN GREENE LAKE, re-called; and further Examined.

Mr. *Bolton.*

2868. WHAT do you say as to the present rule that succession duty is a charge upon land in the hands of a purchaser for value?—It is one of the chief reasons for the necessary complications of present titles, or I should rather prefer to say the necessary lengthened investigation of present titles, because you must see that the land is wholly free from any claim for succession duty. Until the Act introduced by the late Mr. Gregory passed through Parliament there was no limit to the claim of the Crown on the well-known maxim; now there is a limit of 12 years, I think it is; that is to say, if the claim has escaped notice for 12 years the Crown cannot enforce it against a purchaser for value. But if a system of registration of title is to be a success, be it a voluntary or compulsory system, it appears to me to be essential that succession duty should cease to be a claim against the land in the hands of a purchaser for value. It is a very serious difficulty. Suppose, for instance, a man registers his title in 1895 with a promissory title; in 1905 you may buy from the owner on a possessory title, and there is nothing whatever, as I understand, in the certificate (of which I have seen a good many) to show the intervening links of the title; in fact, it is part of the system that you cannot do that. If that is so, it may very well happen on one of the intervening links, not necessarily as regards the person holding the legal title, but in the equitable title there may have been a succession exposing the property to succession duty, and that claim will come against the land which the purchaser has acquired, and it seems to me impossible to prevent that unless, among other things, you provide that succession duty is no longer a charge on the land in the hands of a purchaser for value.

2869. Therefore you would suggest that if there is to be any register set up there should be a very limited time allowed to the Government to claim succession duty?—I think it should go further than that; I think it should be provided that the duty in all cases should attach to the proceeds of the land and not to the land itself. I would point out, for the information of Members of the Committee who are not lawyers, that the difference is only a formal one now. If I give a piece of land to A. B. for life, and then to C. D., and they sell, succession duty attaches to the land. On the other hand, if I give it to the trustees upon trust to sell and hold the proceeds for A. B. for life, and then to C. D. (which in practice is the same thing, though the form is

Mr. *Bolton*—continued.

different), then the succession duty attaches to the proceeds of the sale of the land and not to the land, and I should like to make that the universal rule.

2870. I suppose within your experience you have had cases in which, in consequence of your investigations of title, you have raised questions as to the payment of succession duty and the Government have obtained the duty?—I think I should be almost inclined to go so far as to say that it is a very rare thing when that does not happen. When you come to investigate title you constantly find that some annuitant has died, or some doweress has died, or something has happened in the course of the family history which the lawyer never heard anything about, but which did create a succession, and therefore a claim to succession duty.

2871. Then you ask for a discharge?—We ask for a discharge, and in that way the Government gets the duty which otherwise it would have lost. That is the real objection to the alteration for which both branches of the profession have for a long time pressed.

2872. If the Government wishes to set up a register with anything like success, you think the Government must give up this advantage which they derive under this present system?—Yes; they must make the duty attach to the proceeds, just as legacy duty does and other duties, and they must not make an exceptional case of charging the duty on the land itself irrespective of the owner.

2873. That is brought into increasing importance and prominence, is it not, by the legislation of last Session in connection with the Budget, the effect of which is to make the succession duty more important to the Government?—I do not carry the Finance Act in my head, but I do not think it has seriously affected the question of succession duty.

2874. Except that it makes it more important?—Yes.

Chairman.

2875. It does not affect the benefit the person derives?—No.

2876. It affects the quantity of the property that passed on the death?—That is so.

Mr. *Bolton.*

2877. With regard to the rules for working the Land Registry, it is proposed that they should be made by the Lord Chancellor merely on the advice of the registrar?—Yes.

 2878. Therefore,

Mr. *Bolton*—continued.

2878. Therefore, practically, the proposal is that the Lord Chancellor alone should make those rules?—Yes.

2879. Do you think that would be quite satisfactory, having regard to the experience we have of the improved rules that are now made by a sort of board representing various important interests, the rule committee, for instance?—I think Lord Halsbury's view was the better one, namely, that the management of the land registry and the issuing of the rules should be by the Lord Chancellor on the advice of a board, because a lord chancellor has a great many other duties to attend to, and, whatever his position may have been, he certainly cannot have practical experience of the working of the registry, so that, really, the rules are made on the authority of the registrar and by him; nobody else knows about the working of the office. I believe a great deal more business would have come to the office, because the rules would have been more flexible and convenient if they had been made by a board such as I speak of, upon which there would be representatives of the Bar and representatives of the solicitors, who are the professional body who know more about it than anyone else, though I recognise that they must not be taken as without bias on this question.

2880. Your recommendation is that some board or committee similar to the present rule committee should be established to make the rules under this Bill, if it should become an Act, instead of the Lord Chancellor?—I think so. The Bill continues the power given by the Act of 1875, but I think that a board would be a great improvement.

2881. I have gone over the main points of this proposed legislation with you and some of the principal provisions of the Bill, and I believe you have had an opportunity of considering the evidence you have given; are there any other observations you wish to make upon this Bill, or any suggestions you wish to offer?—There are some points that have been touched upon which I should like very briefly to call attention to, because they are matters for the consideration of the Committee.

2882. Will you do so?—In the first place, in my judgment the Statute of Limitations should affect registered land. The reasons for that, I think, have been very fully given already. The fact that under the Act of 1875 the Statute of Limitations cannot operate adversely to a registered proprietor is really a serious difficulty in dealing with land. I instanced the case of a building estate in which it would very frequently occur and cause great expense and inconvenience. I think also the boundaries should be defined by description and not only by plan, and unless that is done I do not see how you can avoid investigation of title, which it is the object of the Bill to render unnecessary. And I say that for this reason: sooner or later questions of boundaries will arise. If a man only knows that on the particular day on which he purchased, which may be years ago, A. B. was the owner of the land described by the plan the boundaries of which are not conclusive, he must, either by evidence, or as at present, by deeds (if they exist) find out

Mr. *Bolton*—continued.

the history of those boundaries and ascertain what his rights are. At the present moment, assuming the title to be confined to the register, which is the assumption upon which all the questions put on behalf of the land registry are based, assuming that they have nothing but the registered title, I entirely fail to see how a landowner can ever ascertain where he is to get evidence to support his claim to boundaries. There is another reason, and that is this: in building estates the question of boundary, and particularly frontage, is of very great importance. I happen to know a case in Southampton where on developing an estate which I have more than once referred to, we found that the late owner had reserved a strip of about three feet wide right along about 200 yards of road. I do not know why it had been reserved, but it was reserved; we had no difficulty (although we had a little expense) in getting it conveyed, but I do not see how you could get it done under a system of registration. Three feet is not too much to call a boundary. My transfer would have only shown a red line, with a distinct statement that the red line is not conclusive. We had a conveyance of all that strip bounded on one point of the compass by the road; and that made it safe; but that could not be done with a plan, because if anybody will take the trouble to measure it they will see that the thickness of these lines drawn by the land registry on the ordnance to show three feet would be ·014.

Chairman.

2883. You would have to have abuttals or some sort of description?—You must have abuttals.

Mr. *Bolton.*

2884. Are you aware that some years ago a piece of land (similar in some respects to that you referred to) situate in Fleet-street was sold; I think it was at the corner of Bouverie-street. The frontage of that piece of land to Fleet-street was about a foot; it ran down the side street by the side of a house; then at the back of this house, widening out to the depth of 25 or 30 feet, with a further frontage to the side street of some 20 feet. That piece of land was sold at the mart and fetched some 1,500*l.* or 1,600*l.*, and upon that thin strip of land at the side of the house has been erected a thick wall right along the side of the house which is used as an advertising station. How would it be possible by a plan to show such a purchase unless the plan is on a very large scale, much larger than the ordnance scale?—That is very similar to the point I put from my own experience. But I should go a great deal further; I should say it is not possible by a plan of any scale to do it. You would have to say that your boundary is not a line without breadth up to which your property extends, but that it is a road, or whatever it may be, and that your boundary fronts on the road and not another strip of land belonging to somebody else.

Chairman.

2885. It would be all covered by abuttals, would it not?—Yes. I may point out that the Australian Act provides for it; the Australian Act

Chairman—continued.

Act admits the insertion of "proper words of description." On that point that is all we ask.

2886. Mr. Wolstenholme agreed with you on that point, did he not?—Yes; I would rather say I agree with Mr. Wolstenholme. Then there is another small point: "The Bill provides, in dealing with the insurance fund, that no claim shall be made after six years; it seems to me the proper analogy for a claim against the insurance fund is a charge upon land rather than a common debt, and that the period ought to be 12 years. Whether that is adopted or not, I think there ought to be provision (which there is not at present) for persons under disability.

2887. Can you tell us on that point what the Australian rule is?—No, but I have got the book here.

2888. I will not trouble you to look it up?—I do not know what the rule is. Then there is another point which is closely connected with the suggestion I ventured to make, that the land certificate should in all cases be produced in all dealings. As bearing upon that point, I venture to think the rules for the issue of the duplicate certificate are not sufficiently stringent, and I should suggest that the Act (not the rules) should provide that in addition to evidence satisfactory to the registrar of loss of the certificate, there should be advertisements (as is the custom in Australia) in, say, one London paper, and in a paper circulating in the district, say, three times, so as to make it reasonably certain that if the land certificate had been deposited, the application for a duplicate would come to the knowledge of those with whom it had been deposited, or who had rights over it.

Mr. *Bolton.*

2889. Is there any other point that you wish to refer to?—There is this point: I think that in any case the applicant for a possessory title should be entitled, if he wishes, to pay the insurance fee and take the benefit of it, whatever it may be. At present there is no power for him to do so. There is another class which is equally left out out of consideration, and that is the number, small or great, of those already registered under the Land Transfer Act of 1875. I think they should have the opportunity, if the benefit of the insurance fund is deemed so great, of coming in and paying the insurance fee, and protecting themselves against what seems to me, and to those who think with me, a very serious danger, the possible loss from mistake, fraud, or forgery. There is another point as to the registration of undivided shares. There appears to me to be no reason for not authorising the registration of undivided shares, as was done in the Act of 1862, or for restricting the number of names on the register. In the Bank of England it is no doubt inconvenient to have more than a certain number of persons registered as shareholders, but it is a common practice, as honourable Members will know, in Nonconformist chapels to hold the property in 11, 12, or 13 names, and one does not quite see why the same number should not be allowed to be on the register; they are now allowed under the ordinary system of conveyancing. Then there is another small point, which will go a long way in giving landowners protection against fraud, which seems to me to be very serious; namely, if the Bill were to provide that in the case of registered land, as in the case of ordinary land, the purchaser might nominate his own witness, who might be his own solicitor. The power is expressly given by Section 8 of the Conveyancing Act, 1881, and that would be an additional precaution against fraud. If the purchaser, bearing in mind the decision in the case which Mr. Wolstenholme referred to, must ascertain that the person on the register is the person conveying to him, it would be a great safeguard to permit any purchaser to say, "I require my transfer, or entry, or whatever may be the precise form, to be attested by a nominee of my own," and he could appoint his solicitor. That would get rid of the question raised in Viney *v.* Chaplin.

Mr. *Bolton*—continued.

Mr. *Haldane.*

2890. That deals merely with the receipt of purchase money, does it not?—No, it is for the purposes of attestation. Section 8 of the Conveyancing Act of 1881 is as follows: "On a sale, the purchaser shall not be entitled to require that the conveyance to him be executed in his presence, or in that of his solicitor as such; but shall be entitled to have, at his own cost, the execution of the conveyance attested by some person appointed by him, who may, if he thinks fit, be his solicitor."

Mr. *Bolton.*

2891. What you would suggest would be to give the purchaser the right to require the deeds to be executed in the presence of some solicitor or other person in whom he (the purchaser) had confidence?—Yes, there being no doubt, I take it, that in this case, if there were a deed, Section 8 of the Act would apply. Whatever the document is here, I should say the purchaser should have the right to say "I wish to have this identified," and there would be an end of it.

Chairman.

2892. It appears to me that the suggestion is a valuable one, and I would like to be certain that I understand what it is that you mean. I take it that you mean in a given case the purchaser would say: "I want to have somebody as a witness who knows the identity of the seller?"—Quite so.

2893. That would be a great preventative?—Yes. I think those are all the suggestions that occur to me on the Bill.

Mr. *Bolton.*

2894. Is it not your impression that the policy of the Land Transfer Office hitherto has been to discourage rather than to encourage the assistance of solicitors?—It has been extremely hostile to solicitors, and that has been one of the reasons which, no doubt, has affected to some extent the working of the Act. I think a great deal more would have been done if the co-operation of solicitors had been invited.

Mr. *Greene.*

2895. I gather you do not mean that to apply personally to the officials of the land registry?—Not in the slightest degree; I should wish to make that quite clear.

Mr. *Bolton.*

2896. The policy of land register and transfer on a register has been recommended to the public by the popular idea that they would be able to do their own business, and that it would get rid of solicitors, and the office has rather assisted that idea and discouraged the intervention of solicitors than encouraged it?—Yes, and I think I should go even further than that; they have not invited any co-operation by solicitors as to the way in which the business is carried on. After all, solicitors do know more about the practical way in which dealings with land are carried on than any other class. It is their business; they live by making the arrangements as easy as they can to their clients; I mean it is made a flexible system, carrying out the arrangements rapidly and, so far as they can, economically to their clients; and while I am fully conscious that this Committee, or any other body, in listening to a man who is an expert on one system, should make allowance for the fact that he is thoroughly conversant with his own system, and possibly may think too much of the power and knowledge which solicitors possess, at the same time I think if a desire had been shown to co-operate with solicitors instead of carefully excluding them from the office, a good deal more might have been done. On two occasions the antagonism was so marked that we had to appeal to the Lord Chancellor on the subject, and he intervened to prevent an act which we pointed out was not fair as casting a slur upon solicitors, or rather unduly attacking them. I think that has been done on two or three occasions. There is a strong opposition to intervention by solicitors. As a matter of fact the present staff at the Land Registry, I will not say does not contain a solicitor, because there is one gentleman who is called a "solicitor clerk," but there is no one in the office I think I may safely say who has ever had, on his own responsibility, to prepare a deed and carry through a purchase. I purposely do not mention names unless challenged, but the solicitor clerk in question would certainly not have come within the category of a man having had any such practical experience, because I have here before me an exact statement of what his experience has been. Then in working the rules, I venture to think solicitors not only could but would have given assistance. If Parliament should think fit to decide that the business can be done without solicitors, it is perfectly within their right to do so; and if solicitors are not useful there is no reason why anybody should employ them. But, on the other hand, if you do want to carry out a business in which they have had the greatest practical experience, it would seem reasonable that their co-operation should be invited in framing the rules to govern the business which is to be administered.

2897. Does this book, which is called "General Instructions as to Registration and Transfer of Land under the Land Transfer Act, 1875, with the Act, Rules and Orders, Fees, and a General Index," and which is published by Her Majesty's Stationery Office, "by authority" as the official guide, contemplate attestation by a solicitor and the intervention of a solicitor?—No. The Act of 1875 contemplated that, and in fact ordered it; but the rules of 1889 expressly repealed all those requirements, and stated that in no cases should it be necessary to have a solicitor's attestation. The Act of 1875 proceeded upon the basis of the Stock Register of the Bank of England. That system is, that the Bank of England requires that a broker should attest every dealing with stock. On the same principle the Act required that a solicitor should attest every signature on every dealing with land on the register, following also the practice under which the Paymaster General requires similar evidence as to identity, however well-known the individual applicant may be; even if the learned chairman went to receive money out of court he could not get it without some solicitor to certify that he was the person he professed to be. The same rule was adopted at the Bank of England when notices were substituted for distringas; they required the notice to be attested by a solicitor in practice, and the reason for such a rule is obvious. There is no profession in existence where there is such a summary and disciplinary procedure as exists in the case of solicitors. They are officers of the court, and they are very proud of being so, and it would seem right, especially where the consequences of personation are so serious, that some class under the control of the court should be required to certify to the genuineness of the proceedings. I may say that is the practice in Austria as regards the system of registration of title there, with which I am to some extent familiar, and I believe it is the same in most of the European countries.

Mr. *Bolton*—continued.

2898. The practice of the office has been inconsistent with the policy of obtaining assistance from solicitors, as you have said?—Rightly or wrongly, the office have taken it to be their ruling principle that, so far as possible, they should discourage the employment of solicitors, and should show that their business can be done entirely without their intervention.

2899. There is a clause in these rules suggesting that transactions at the registry would be done through the post and through their office stationer?—They advertise, as far as possible, their office stationer to do the business.

2900. At page 15 of these Instructions it says: "The office stationer (who is not an officer of the department) receives instruments if sent by post with cash or cheque, attends at Somerset House (if desired) for duty, and generally undertakes the correction and presentation of applications at law stationers' charges, which should be paid in advance. Communications intended for the stationer should be addressed to him at the Land Registry"?—That is so.

2901. That, of course, is a direct discouragement to the employment of any solicitor in dealing with this business?—I do not think it is quite a fair advertisement.

2902. You

Mr. *Bolton*— continued.

2902. You referred to the staff at the office of the Land Registry; you have no reason personally to complain of the officials there, but your observation applies to their experience and the general policy of the office?—Quite so. I have had a great deal to do both with Mr. Holt and Mr. Brickdale, and all the staff, and nothing could exceed the courtesy I have always received from them. I am speaking solely and entirely of the system they are instructed to carry out. I have heard the same from all those who have had dealings with the Land Registry: they have nothing whatever to complain of except as to the prevailing spirit which, probably acting under the instructions, pervades the office; but even although I must consider that Mr. Brickdale and Mr. Holt sit on the opposite side of the table to myself for the present, I do not think we are any less good friends for that.

2903. Mr. Holt is the responsible registrar, is he not?—Yes.

2904. Mr. Brickdale is the assistant registrar?—Mr. Brickdale is the assistant registrar.

2905. We have heard on several occasions the remark made, "But that is under the Act of 1862, which has been a failure"; would you explain in popular language the practical distinction between the Act of 1862 and the Act of 1875?—It would require a little treatise to do that thoroughly; but, speaking under correction from the learned Chairman, the two leading differences, I think, are these: The Act of 1862 was described by Lord Westbury, whose Bill it was, as being intended to be "the mirror of the title"; that was his expression, which showed what he meant. It disclosed on the register itself every right and interest affecting the property, and purported to be the register of all persons interested in a particular field. The conveyancing under the Act of 1862 was carried on by deeds which were printed and lodged with the registrar. It was found that that system was very inconvenient, and it became, as the learned Chairman has said more than once in this room, an absolute and entire failure. Perhaps I may say in that connection, if any Member of the Committee would read, as I have been doing, the debates in "Hansard" for 1862, they would find the anticipations of the most complete success of the Act of 1862 were as strong, or even stronger, than the prognostications which we hear about the Act of 1875 and this Bill, and yet the Bar Committee point out in a very able passage in the paper which has been before the Committee what disastrous results would have followed if the Act of 1862 had been compulsory instead of being permissive.

2906. But the principle of a register and transfer on the register is equally in the Act of 1862 as in the Act of 1875, is it not?—That is so, but any system of registration of title depends entirely upon the details in which it is to be carried out.

2907. It would not be a conclusive answer, would it, to any objection to the system of 1875, and to the compulsory application of that system, to say, "Oh, the case you are referring to is under the Act of 1862"?—For the purpose of showing the possibility of inaccuracy in plans, one is quite entitled to refer to the system of 1862, as I ventured to say last Thursday, but except that each of them includes registration of title, the two systems are so different that you could not compare them.

Mr. *Bolton*—continued.

2908. They both include a register of title?—Yes; I could give the differences, but I do not know whether the Committee would wish it.

2909. But in a system of register of title they depend very largely upon the plans?—They depend very largely upon the plans, and the only difference as regards that point was that by the Act of 1862 the boundaries were definitive and conclusive.

2910. To that extent the system of registration and description of property by plans under the Act of 1862 would be applicable as an illustration?—Certainly.

2911. Therefore it would not altogether be possible to sweep out of consideration cases under the Act of 1862 by merely saying they are cases under Act of 1862?—Not entirely.

Chairman.

2912. It depends upon the particular illustration for which you are using it, does not it?—It does.

2913. It may be much *ad rem.*, or it may be entirely irrelevant?—That is so.

Mr. *Bolton.*

2914. The main opposition, I take it, is not only to the system of transfer on a register, but to the system of registration being made compulsory?—That is the only objection.

2915. That is the main objection?—Certainly, it is my only objection. I have always been of opinion that it was possible to frame a system of registration of title which might be made workable; but the present system under the Act of 1875, which this Bill proposes to make compulsory over the whole of England eventually, is too much a cast-iron system and too inflexible. If it is to be done the only possible way would be to begin, as Lord Halsbury proposed, by repealing the Act of 1875 and introducing a fresh Act altogether, because so many amendments are required in the Act of 1875. And I do not believe you will get a satisfactory Registration of Title Bill unless you take into conference the conveyancing Bar of England and solicitors conversant with small as well as large transactions.

2916. You would therefore suggest that instead of passing any amended Bill, such as this, amending the Act of 1875 and making the system compulsory, you should repeal the Act of 1875, which is a consolidating measure dealing with the whole case, and establish a voluntary system of registration of an efficient and practical character, leaving the voluntary system to compete fairly before the landowners of England with the present system of transfer by deeds?—I think that would form the only possible way. I firmly believe that just as the hasty legislation on the subject of tacking passed in 1874 was repealed as early as possible in the Session of 1875, so you would find (unless I am very prejudiced in the views I have taken about it) you would have to repeal a compulsory system in a very short time because of

Mr. *Bolton*—continued.

the entire stagnation it would bring about in dealings with land in this country.

2917. You believe that your branch of the profession would be willing to co-operate in giving a voluntary system a fair trial?—I am quite sure they would; I hope we have shown it, and I am sure there is nothing more certain than this, that in the long run, whatever people may think about it, the interests of clients and the interests of solicitors are one and the same.

2918. Is there any other point you would like to refer to?—I should like to refer to the memorandum issued by the Land Transfer Registry in July 1893, in which they deal with our opposition to the Bill of that year.

Mr. *Greene.*

2919. Is that the document we have had put in already which was ordered to be printed on the 26th July 1894?—No, that is one dealing only with the particular evidence given by Mr. Howlett, who unluckily is very ill, and cannot attend. I am referring to the memorandum issued on the Land Transfer Bill of 1893, which dealt with the case put forward in that year which was tolerably exhaustive.

Mr. *Bolton.*

2920. Is there any special point that you wish to call attention to in that memorandum?—There are four points which they take against us. I do not know whether the Committee will have this memorandum before them or will deal with it, but their objections are so easily met that I should like to refer to them shortly if the Committee will permit me.

2921. You are dealing with the paper which was published by the Land Registry in answer to some observations made by the Law Institution upon the Act of 1893?—That is so; it was published in May 1893. It was a note on observations dated 25th May 1893 of the Incorporated Law Society on the Land Transfer Bill.

2922. Will you tell us what the objections stated in that memorandum to the opposition to that Bill were?—In the first place, they say that we make no suggestion "that improvement of any kind is necessary, desirable, or even possible in our conveyancing system." Had we done so it would have been hardly relevant to the opposition to the Bill; but there is no difficulty in making suggestions. I do not think a year passes in which the Incorporated Law Society does not either give support to or introduce a Bill with various amendments in conveyancing practice, and it is quite prepared to do so; but it would have been very irrelevant to do so at that time. Several improvements can be suggested, and the document I have already handed in contains suggestions of improvements which could be, and no doubt will be, made. The next point taken in this memorandum is "that the satisfactory results of compulsory registration in other countries is ignored." I think that is not quite a fair criticism. It is referred to in the paper that has been alluded to,

Mr. *Bolton*—continued.

and I may venture to say I have a good deal of responsibility for that paper; I have myself studied on the spot the system in force in Austria, I have studied the system in force at the Cape of Good Hope, and I have had some experience of the system in force in America, which is chiefly the registration of deeds. I have studied the Australian system only by books. But the real difficulty is, that that system has not the slightest resemblance to the system proposed in this Bill; so little resemblance has it that Sir Robert Torrens, who introduced the system in Australia, absolutely refused to register his land in this country, when he became an English landowner, under the Act of 1875. You may very well get some experience from the system in force in some of our North American possessions, and in Australia, with a view to improving our system of conveyancing; but it would then be throwing over our system and introducing a more available and useful system. There are these four differences between the Act of 1875 and any system now in operation in the country of any English speaking race, and I think we ought to be guided by the practice among the English speaking race rather than other countries. In the first place, in no other country, except the two Dominions of Ontario and British Columbia in Canada, is there such a thing as the registration of a possessory title, and they would not listen to it. In the second place, in no other country are the fees, on dealing with registered land, more than nominal. In our land registry the fees are extremely high. Then again, I think in no other country, and certainly not in Australia, can you deal with your registered land without producing your land certificate; and in the last place, in no other country in which an equitable charge can be created at all (which is not the case in every country) is an equitable charge by deposit of the land certificate penalised by making you pay the same fee for the equitable deposit as you have to pay for a legal mortgage.

Chairman.

2923. That last observation relates to the fees and charges, as I understand?—Yes, to the fees and charges. Then the memorandum of the Land Registry goes on to say, "That the system of registration of title supported by general experience, and which has recommended itself in England to all the highest intellects of more than one generation of practical lawyers, is treated as an unpractical ideal." I have already pointed out that the experience, whatever it may be, in other countries is wholly dissimilar to that in force here. I cannot say who are to be included among "the highest intellects of more than one generation of practical lawyers," to whom the system of registration of title has recommended itself in England; because no names are given, but it does not include Lord Westbury, who introduced the system, nor Lord Cairns, nor Lord Thring, nor Sir William Barber, nor the majority of the witnesses examined before the Committee in 1878 and 1879, nor the members of the Committee who reported against compulsion. Those gentlemen, in the opinion

Chairman—continued.

opinion of the Land Registry, apparently are not entitled to rank among the highest intellects.

Mr. *Bolton.*

2924. As to the fees charged abroad; I believe you have prepared some statement of the fees charged abroad, or in Australia, under the Register system?—The Australian fees are shown in the third column of the paper which I have already handed in.

Chairman.

2925. They are very low, are they not?—They are really nominal.

Mr. *Bolton.*

2926. I believe that the Incorporated Law Society has communicated with persons experienced in land dealing all over the country, with a view of making a selection of witnesses to bring before the Committee?—That is so.

2927. The number of witnesses that could be brought before the Committee is considerable, is it not?—Very great, if it is permitted.

2928. You are aware that there has been an understanding come to in this Committee that the evidence in criticism and opposition we have been listening to for several days should come to an end at a fixed time, and that at the next meeting we should bring that class of evidence to a close?—So I understand.

2929. That, of course, shuts out a very considerable number of witnesses who might otherwise be called?—We have had to make a selection, of course, of the witnesses.

2930. I will hand you a list of the witnesses who, I understand, are prepared to come and give evidence before this Committee, showing their names, their descriptions, their addresses, and the nature of the evidence that they would give, and I will ask you whether you would not be prepared to call those witnesses, or any of them, should the Committee wish to make any selection from them.

The Committee-room was cleared; and after a short time the parties were again called in.

Chairman.

2931. The Committee has decided that this question should be put to you upon the subject upon which we cleared the room, and as it is the question of the Committee, perhaps I had better put it myself. I ask you whether you, or the Incorporated Law Society, have communicated with a large number of gentlemen of experience in different parts of the country, and is it the case that they dissent from the policy and the proposals of the Bill for one or more of the reasons adduced by yourself, and are ready to give their experience and reason?—It is the fact that we have so communicated, and that we could call a number of competent witnesses from all parts of the country; but if I may venture to correct your question upon one point, so far as it appears to me, I should say not against the proposals of the Bill, but against the proposal embodied in Clause 1, which would make a system which we, rightly or wrongly, deem to have been insufficiently tried, compulsory on the landowners of this country.

Chairman—continued.

Mr. *John Ellis.*

2932. You used the expression that a certain suggestion of the Land Registry on page 15 of the General Instructions with regard to the payment of fees was not fair?—Yes.

2933. Coming from a witness of your authority, and speaking in a representative capacity, that is rather a strong expression of opinion; would you tell the Committee why you think it was not fair?—I think it was not fair to suggest that the official stationer who is not, as I say, an officer of the department, and is not responsible to them, should be invited to do business which naturally would be transacted by the profession to which I have the honour to belong.

2934. You think that for a public department to suggest that possible encroachment was going somewhat beyond their functions?—I thought it was; just as Parliament has been good enough to say, in the case of the Probate Registry, that they are not allowed to do anything of the kind themselves; that they may do business if it is taken to them, but that they must not invite it to go through their channels.

2935. Do we gather from your evidence that you think that this public department has manifested an unwillingness to consult your profession and to meet them?—I should put it higher than that. I think they are more than unwilling (I must presume under instructions because, as I have said, I have had the greatest assistance from all the staff at the Land Registry) but they are distinctly hostile to the intervention of solicitors in any dealings on the Land Registry.

2936. You would not suggest that if it could be shown by this department or anyone else that the improved system was for the benefit of the public, attention should be paid to any particular vested interest as against that improvement?—We have no vested interests whatever against the public, or against whatever Parliament in its wisdom may think best for the country; but we have been trained under legislative enactments for specific objects; we have paid the Government duties, and do pay annually certificate duties for certain privileges which are conferred upon us by Statute; and it does not appear to me, or I think to those with whom I am associated, that it would be fair for the Government, without at all events showing a direct necessity for it, to interfere with the privileges which they themselves have given.

2937. Then if the necessity could be shown objections would vanish on the part of your profession?—I could not say that the objections would vanish on the part of the profession, but they ought not to be regarded as against public utility.

2938. Then the only thing that you ask of this Committee, or of the House of Commons, or of Parliament, is that the improvement shall be shown?—That is so.

2939. With respect to communications that have gone from your society I put a few ques-

Mr. *John Ellis*—continued.

tions, as perhaps you may remember, to Mr. Hunter upon the subject. Have you the evidence before you?—Yes.

2940. Will you kindly turn to Question No. 1286, in the evidence of Mr. Hunter?—I have it.

2941. Can you indicate to us the character of the circular therein referred to?—Yes, the circular was a circular stating (I am speaking from recollection) that this Land Transfer Bill had been brought in, and asking the provincial law societies to let us know at once what evidence they could bring up in the way of memorials and petitions, setting their views forth, and asking them to communicate with us from time to time. Sometimes they have, and sometimes they have not.

2942. That evidence and those memorials being assumed to be on the lines of your declarations against the Bills of previous years?—That would be so, no doubt.

2943. The continuation of evidence, in fact, against the Government proposal?—The continuation of evidence against the Government proposal so far as regarded compulsory registration.

2944. And those circulars were sent widely throughout the country to your affiliated societies?—Not widely throughout the country, only to our affiliated societies and not to those societies generally; but only to the secretary or whoever might be at the head of the society, either the president or secretary of the society. We sent it to them for them to do what they thought right in consequence of that circular.

2945. And you then sent a pamphlet out, as I gather from Mr. Hunter's evidence, after that?—Not to them in particular. We prepared a pamphlet as we have done every year since 1887, setting out in our view the objections to the Bill, and supplied it to any one, whether a member of the society or a Member of Parliament or not.

2946. Can you give us any idea of the circulation of that pamphlet; the number of copies that were issued; I do not ask for the precise figures?—I should think 500 or 600. I know we troubled every Member of the House with a copy, that is 670, so I am wrong in saying 500 or 600; but outside of that I should not think there were more than 300 or 400.

2947. Did you send any communications to the provincial press, embodying an abstract of that pamphlet, or of your opinion in any way?—No.

2948. Then I come to the suggestions to electors to write to their Members; of what number were they?—That was done in each case by the provincial law societies. We have done nothing of the kind in London, except that I myself have seen several Members representing London constituencies; but then the only point was, "Our opposition is to compulsion, not to a system of registration, and our application is that you should not sanction it without inquiry." And those have been the two points we have taken throughout.

2949. Then you tell us, with all the authority that justly attaches to you, that no suggestion has gone from your Incorporated Law Societies that constituents should write to their Members urging them to defeat this Bill?—Certainly not

Mr. *John Ellis*—continued.

urging them to defeat the Bill. I do not think we have had any suggestion of that kind go from the society; but I have not the least doubt that I myself should have said to any one I was speaking to in connection with the society. "The best thing to do is to write to your Member, and say that those are the points which we want. We object to compulsion, and we want an inquiry." We have been refused an inquiry every time, and no doubt latterly we have been more active in putting that suggestion very strongly. But there has never been anything sent out by us simply asking any Member of Parliament to vote against the Bill irrespective of those two points, but to vote against it for the purpose of getting an inquiry. That is what we have asked.

2950. Of course an inquiry you have now in the appointment of this Committee?—Yes.

2951. Therefore that point has disappeared to that extent?—Yes, we have had an opportunity of placing our case before the Committee for their judgment.

2952. Then the point of compulsion is the one that remains in your mind?—The point of compulsion is the main objection to this Bill, in fact the only objection. Apart from some small alterations I should be very glad to see much of the Bill pass.

2953. I may take it from you then on that point, that no countenance has been given by your Incorporated Law Society, or by any of its members acting as individuals, to strong letters being sent up by country solicitors to Members of Parliament, of a more or less minatory character?—Certainly not. We have asked them to put forward memorials stating their grounds of objection to the Bill, and asking for an inquiry, and for the striking out of the compulsory clause; but I say with great confidence that so far as I know that is all that we have done.

2954. Speaking as a gentleman of great experience you would acknowledge that such a proceeding would not only be improper but damaging to the cause which it professes to have at heart?—I should be very sorry to hear that any of those with whom I am associated would send up a letter of that kind to any Member, because all that we are entitled to ask of our representatives is that they should give some attention to the arguments which we put forward for and against a particular course; but anything beyond that would be inadmissible.

2955. Then you gave us a number of cases with respect to costs and delay and other points; I will only ask you one question upon them. May we take it that those were fair samples of the cases that have come in your own experience?—I believe that every case has come through my experience; those were the instructions which I gave in having them looked out; and I have only remembered one case since then that is not in those which I have given you.

2956. You understand my motive in putting the question?—Perfectly.

2957. They are not in any way selected cases, with a view to influence the mind of the Committee?—No, they are not.

Mr. *Warmington.*

2958. Upon your very valuable evidence I should like to ask you this question: You have considered, I daresay, what was said by the Lord Chancellor, namely, that it was the intention if the Bill passed, to apply it to a limited area in the first instance?—Yes.

2959. And it was suggested, I think, by the Lord Chancellor, or, at any rate, by one of the Members of the Committee, that it would be convenient to apply it in the first instance to one of the registered counties, either Middlesex or Yorkshire?—Yes.

2960. Do you agree with that?—I should think that it would be desirable. I am very strongly of opinion that a particular area ought to be selected by the Bill and sanctioned by Parliament.

2961. You would prefer that a limited area should be named in the Act of Parliament rather than that it should be left to an order by the Lord Chancellor?—Certainly.

2962. Only two or three questions about this matter of complication; is there any country in which, so far as you know, there are two systems of land transfer; transfer by register and transfer by grant; you will understand that term?—Quite. Australia and America may both be taken as examples. In Australia the land is either wholly subject to compulsory registration by title, or the deeds affecting the property are compulsorily registered.

2963. Do you know of any country where you may register or you may not, but if you do not, a system of transfer of land by way of grant is in operation?—Surely it is so in Australia, is it not?—In Australia, if you hold from the Crown by grant, dated after the passing of the Act for the registration of title, you must, acquire that land, and continue your devolution of title by register. If, on the other hand, you hold land granted by the Crown before the establishment of the system of registration of title, then you go on under the ordinary system of registration of deeds; but you must register those deeds.

2964. My question is rather different from that; I want to know whether there is any case in which, for a particular transaction, there is the option to a guarantee, whether he shall carry it through by way of register or by way of grant, except in this country?—No, I do not think so, if I have rightly followed the question.

2965. Is not that really the system that you rather advocate, by saying that the compulsory clauses of this Bill should be omitted?—I think not. I am only asking that the system should go on which has been in operation since 1862, you may really say, that a man should not be forced to adopt the system of devolution of title, as opposed to that which he now uses. If a man puts his land on the register, I do not suggest then, when once it is on the register, that he should be at liberty to carry out such transactions either by register or deed, as he wishes.

2966. But you would give him the liberty to remove it from the register?—Yes. Then, so far as that land is concerned, it becomes the same as though it had not been on the register.

2967. Do you think that, by that means (I am speaking to you quite as a member of the public), we could really get at the advantages of a system of registry as against the advantages of the present system?—I should have thought that you could. What would happen, I imagine, would be that, some landowners wanting to deal with their land immediately in a particular way, or having a clear title, would say: "I want to register an absolute title." Others would say: "I am satisfied with my deeds, I shall do nothing to alter the way my land is now dealt with."

Mr. *Warmington*—continued.

2968. But where do we get an improvement upon the present state of things as it now exists?—Do you get an improvement? You have got to establish the improvement.

2969. Where do we get the difference; we have got it now that a man may register if he likes?—I cannot see why you cannot leave him his option.

2970. You mean that you should leave things as they are?—As regards that point, I do. There are several alterations that I should like to see made in conveyancing, but apart from those, I would like to see things left as they are; in other words, that the best system should win.

2971. Do you think that at the present time the conditions are such that the two systems have a fair trial as against each other?—At the present moment I doubt it, because the system of registration of title, although it is getting known to some extent, is really not being tried under fair circumstances in one way, because the rules are so inflexible, and the absence of practical experience on the part of those who are conducting the register is so great that they do not know how to make the system useful.

2972. That leads me to another question on which I want to have your answer: What alteration in the present rules or practice do you think is necessary in order to give the two competitive systems a fair trial, the one against the other?—That is a large question.

2973. I know it is?—I made a great many suggestions at the close of my evidence-in-chief as to alterations which I think ought to be made; but the two alterations, which I should suggest at once, which would have very great effect, putting out of sight others which I think of almost equal importance, would be, if you give a man the right to make a trial of the register, you should also give him the right to come off again if he is not satisfied; and if, on the other hand, you make the title a guaranteed title and not an absolute title; if those two things were conceded, that would go a long way towards putting the register system on a fair trial with the present system. But one of my fears is this. The fact that you have got two systems will tend to make each better, and if you are going to take away the alternative that landlords now have they will be tied by a system of registration of title in the area over which the compulsion is to extend, and any motive that there now is to make that system flexible and easy, except by means of questions in Parliament, and so on, will be gone. I think the evidence must have satisfied the Committee that the effect of competition is greatly to reduce cost; and if you have the two systems it will

Mr. *Warmington*—continued.

will be the object of the solicitors, on the one hand, to make their own system even more flexible and cheap, and it will be the object of the registry officials, on the other hand, to show that their system is simpler and cheaper. If you give either of them a monopoly that ceases.

2974. But you cannot point to any country where the two competitive systems in regard to the same land are in operation?—I do not know that I can. It is difficult to know how you could. The system in Australia is exactly similar to what you are proposing to do now. All land in Australia is either registered or not registered, and, as a matter of fact, very little of the unregistered land has been brought on to the register. There you have already two systems in competition, and registration is compulsory over certain classes of land, and it must remain on the register. It is not to any great extent the fact that the land not compulsorily on the register is brought upon it.

2975. Some one has suggested to us, talking of certain amendments of the law, that it would be advisable that the law should be so altered that the register should deal with what I will call the legal estate, and leave the beneficial interests off the register; what is your view with regard to that?—Is not that what the register affects to do now? I understand the intention of the register to be that it will show you as regards a particular area of land, not who is the owner, but who has power to dispose of it.

2976. But to dispose of it absolutely?—Absolutely, or by way of charge.

2977. That would do away with the present system of tenure?—Yes, I think it must.

2978. And it could not be carried out without a register?—It could not be carried out without a register. Of course, you could not show on the register who was entitled to dispose of land without a register.

2979. Are you in favour of that alteration of the law, if there were no registration?—Yes, I think it could be carried out. Mr. Wolstenholme pointed out one way in which it could be done, and Mr. Hunter had another scheme of his own in which you could carry out that plan substantially without any registration at all. In fact, as I need not point out to you, it is the object of all our best conveyancers to take care that only the legal title affects the purchaser.

2980. But as a matter of public business with regard to shares in companies and ships, that system now in operation is always accompanied by registration, is it not?—It is always accompanied by registration; but in both those cases the register is established for a different purpose; they use it for the purpose of registering transfers, but it was established for another purpose; in the case of shares it was established in order that the company may know to whom they are to pay dividends upon their stocks; and, in the case of ships, the primary object of the register was to show that the ship was entitled to carry a particular flag.

2981. It is used, as a matter of fact, for that purpose?—Yes.

2982. There is one other matter with regard to the scale of costs which is annexed to transactions with the Land Registry Office; do you make any complaint about those?—No, I do not make any complaint about those; I have never had much occasion to test them.

2983. Assuming that a solicitor is employed, therefore, in connection with any transaction in which land is put upon the register, you do not complain that the scale of costs is an improper scale?—No, I do not.

Mr. *Greene*.

2984. You told us just now that you had had communications on behalf of the Incorporated Law Society with different people in different parts of the country; were you referring to solicitors only?—No, not only to solicitors; I have had communications from a good many others.

2985. Up to the present time we have had no evidence about what the bankers' view is, except a statement, I think by the Lord Chancellor, that he understood that the opposition which originally was confined to bankers and solictors had ceased on the part of the bankers, he thinking that they were satisfied by reason of a special certificate having been given; have you had any communication with bankers, can you tell us?—Yes, we are prepared to call some bankers here.

2986. Have you had any specific statement from any bankers with reference to approving of this compulsory system?—Yes; I have certified resolutions which have been sent up only a day or two ago in consequence of a statement which was made in this Committee.

2987. May I ask you from what bankers did you have those certified resolutions?—I have one from the Nottingham and Nottinghamshire Banking Company, Limited, which is to the following effect: "That the Directors of the Nottingham and Nottinghamshire Banking Company, having carefully considered the Land Transfer Bill introduced by Her Majesty's Government and shortly to come before the House of Commons for Second Reading, desire to express the opinion that a compulsory system of registration of title is unadvisable, and that the effect of the Bill will be to increase the expense of, and to impede and delay, instead of to facilitate dealings with landed property, and as a result to cause much inconvenience in business matters. They venture, with all deference, to submit their views to the members of Her Majesty's Government and respectfully to suggest that the question be referred to a Select Committee to allow of a full investigation of the subject." That was passed on the 10th of May. I have another from the Nottingham and District Bank, Limited. I may say that these were not obtained from the Incorporated Law Society, but were sent to me, obviously in consequence of a statement (I believe an erroneous statement) appearing in the newspapers.

2988. An honourable Member representing that district put a question at No. 2108, from which it rather appeared that he had had a request from that district urging him to support this Bill as an improvement, and these resolutions

Mr. *Greene*—continued.

tions have come up since then, I understand?—Yes.

2989. Since that answer was given to the honourable Member's question on the 10th of June you have received these resolutions?—I have received them since then.

Mr. *Ellis.*

2990. Those resolutions were passed in May?—Yes.

Mr. *Greene.*

2991. Will you tell us what is the next one?—It is the resolution of the Nottingham and District Bank, Limited, "That the directors of the Nottingham and District Bank, Limited, respectfully represent to Her Majesty's Government that in their opinion the system of compulsory registration of title embodied in the Land Transfer Bill of 1895 is unsuited to the business requirements of the time and the conditions of landed property in England, and will be productive of great expense and delay without any compensating advantages. They regard its operation (if passed into law) with apprehension, and venture to urge its withdrawal, and to suggest that a full inquiry by Royal Commission be made into the whole subject of Land Transfer before any legislation is attempted." That was passed on the 24th of May. Then the Nottingham Joint Stock Bank, Limited, passed the following resolution: "Resolved, That the Board hereby expresses its disapproval of the proposed Land Transfer Bill, 1895"; that was passed on the 3rd May. And the shareholders of the Nottingham House and Land Company, Limited, on the 28th of May passed the following resolution at their annual general meeting, "That the shareholders of the Nottingham House and Land Company, Limited, representing a subscribed share capital of 22,790*l.* (the object of the company being the purchase, mortgage, and sale of house property and land), desire to express their preference for the existing system of conveyancing over registration of title and its consequent officialism, and urge upon the Government the withdrawal of the Land Transfer Bill."

2992. Have you given your evidence as a landowner as well as a solicitor?—I have.

2993. May I ask you to what extent you are a landowner?—About 3,000 acres.

2994. Have you had many transactions on your own account?—I have had many transactions. Some of the cases which I gave were instances of them. First I was owner of the principal part of the estate, and I registered it with an absolute title. I found great inconvenience, and when I bought another piece of land adjoining it of about 400 or 500 acres I registered it with a possessory title, not liking an absolute title. I am now buying 800 or 900 acres to complete what I wish to hold, and I am not going to put that on the register either with an absolute title or with a possessory title.

2995. I think you stated, in answer to the learned Attorney General, or to Mr. Bolton, that you thought that if there was to be an improvement in the register abuttals should be put on; will you tell me this: Should you suggest that abuttals should be put on so as to aid the definition of boundaries?—Yes.

2996. But what guarantee is there to be as to the accuracy of the boundaries, as to the land of the adjoining owner whose land is to be included in the abuttals?—No more than there is now. If you describe your land as in the occupation of Brown, that gives you some evidence that the land was at that time in the occupation of Brown; not very material evidence, but still an identification, and it does not affect the title of the absolute owner. I do not see how you can do that unless you give him notice. The Act of 1862 provided that notice should be given to the absolute owner and then the notice became final. I say that you should have the abuttal so as to enable the man to say, "I do not care whether the line runs there or there; my boundary is the road, not an invisible line marked upon a plan."

2997. Would you include in this measure a system of enabling the registrar to adjudicate upon a falsely claimed boundary between two co-owners?—I certainly should not.

2998. Then if the register is to be binding, will it not be assumed by the public to be binding as regards the description of abuttal?—Yes; but all that difficulty would be got over if the title were made a guaranteed title instead of an absolute title. It is the endeavour to get two absolutes, which is in itself not possible, that leads to one of the great difficulties of this Bill.

2999. With regard to mines is there any provision that calls for remark with reference to the ownership of mines?—Mr. Wolstenholme stated that very clearly, I think, and I should like to adopt his evidence if I may, on that point. There is power, when you register your land in the first instance, to state whether you register it with the mines or minerals, in which case you must produce some sort of evidence; or you may say that you do not register it with mines and minerals; or you may say nothing. In the two two last cases you have the land, and not the mines and minerals, and anyone owning the mines and minerals has the right to work them and to come on the land for that purpose without your leave. I think there ought to be power to lay claim to mines and minerals at a later stage. I am not sure that there is not that power, but there certainly is not power to sever them afterwards.

3000. That would be in the nature of an amendment to the Bill?—Certainly.

3001. You have said that you would recommend that if the Committee thought the experiment should be tried, the Bill should limit and specify the particular district in which the experiment should be tried; but does it occur to you that the Committee might also fix a limit of time for this tentative measure compulsorily?—I hope that the Committee would do so, and say that there should be no further legislation until the end of that period—I am not pressing for a long period; it is not merely to get over my own lifetime; some have said five years, but for myself I think that seven years would be required, which is the average length of a short lease, in order to see the dealings of it; and then I think there

Mr. *Greene*—continued.

ought to be sufficient evidence gained in that short time in this limited area to enable Parliament, which is the public, to decide whether the operation should be extended.

3002. Would your suggestion work out to be a limitation on the part of the Lord Chancellor, or whoever it is, not to apply the Act to any other area until the seven years had elapsed?—No, I do not think that the Lord Chancellor should have that power at all.

3003. But assuming that the power were in the Lord Chancellor?—Even then I think that there should be a limitation on his Lordship's power to extend it until the definite limited period fixed had been allowed to expire.

3004. And you suggest seven years?—I suggest seven years.

3005. With reference to identification, you said that a person ought to have the opportunity when he was purchasing land of knowing that the true vendor who was about to transfer it to him was on the register, but that would involve very considerable cost, would it not?—No, I think not. I do not think it would materially add to the cost; certainly not more than would be compensated for by the great additional security.

3006. Assuming that I, a vendor in London of a piece of land in Westmoreland, wished to transfer it to a Westmoreland purchaser through the Wesmoreland registry, should I have to send up some one to identify me at the Westmoreland registry to show that I was the true vendor?—If you insisted on completing in the registry office I suppose you would, but you would sign your transfer, which is not as a rule signed in the registry office in London, and the purchaser would probably ask his agent in London, or someone who knew you, to witness you sign that particular document, a piece of paper called a transfer. I think that case was a little misunderstood perhaps as it was pointed out by one of the witnesses. It seemed to be represented to the Committee, from the questions that were put to the witness, that you would, as a rule, complete the transfer by an entry in the book in the registry itself; but that is rarely done I have never known it done. I do not say it is not done; but, as a rule, you sign the transfer, and send it across the country to be signed; and in the case that you put the purchaser would send up his printed form filled up, and say, "I wish you to execute in the presence of Mr. A. B., who knows you."

3007. What evidence would the registrar have?—The registrar can have but little evidence; he must take it on trust. That is one of the great dangers of the system. Under the present system the document has to be signed in the presence of (among others) a magistrate; but the registrar has no means of knowing that Mr. A. B., who says he is a magistrate, is so; and it would be perfectly easy tn write the signature of someone else, and put J.P. after his name.

3008. Let me follow out for a moment the illustration that I was giving you, that I am a London vendor of a piece of land in Westmoreland which I desire to sell to A. B., a resident in Westmoreland. You would pass that through the Westmoreland registry?—Yes.

3009. You say that the document of transfer would be sent to me to execute up in London?—Yes.

3010. And my signature must be attested by somebody?—By some one or two or three classes of persons, a magistrate or a commissioner of affidavits, for instance.

3011. And that document of transfer is then sent up to the purchaser in Westmoreland?—Yes.

3012. Would he have to nominate the persons in whose presence I must execute the transfer in London?—No, he has not that right now.

3013. Then he had to take it entirely on trust?—Entirely.

3014. Is there no means at present for either him or the registrar to see that I have really called in one of the classes authorised to attest my signature?—No, he has no means of doing so with registered land, so far as I am aware.

3015. Under this Bill would there be any?—No.

3016. When I send my document up to the purchaser, does he remit the money to me in exchange?—To you or your solicitor.

3017. Upon receipt of the transfer purporting to be properly executed?—I should think on the transfer being accepted by the district registrar.

3018. But the district registrar would know no more than he does whether it was genuine?—No.

3019. Then if I had been a fraudulent person and chose to forge it, or get somebody else to sign it, it could not be discovered either by the registrar in Westmoreland or by the purchaser?—In no way that I can see.

3020. Then I should have received his money, or my solicitor would?—Yes.

3021. Then upon the death of those who had perpetrated the fraud no punishment could fall on any one else?—No.

3022. And the purchaser would, according to this Bill, get a good title, and the true owner would be taken off?—Yes, that is as I understand it, that would be assuming the purchaser himself not to have notice of the fraud.

3023. Is there any objection in your mind to this Bill passing on the ground that it involves expense and trouble on purchasers of land in subsequent transactions of every sort and kind?—Yes.

3024. With extra fees to be paid, and extra work to be done?—Yes, in every case.

3025. Which would not be so under the present system of voluntary transfer by deed?—That is so, and necessarily with increased delay.

Mr. *Tomlinson.*

3026. Have you practically considered whether there would be any saving of expense in dealing with a building estate on the register as compared with a building estate not on the register?—I do not think there would be any saving of expense; and I think that the figures which I put in as regards the building estate at Southampton sufficiently show that, even in the case of an estate

Mr. *Tomlinson*—continued.

estate registered with an absolute title, there is no gain.

3027. If there was any gain it would be in the subsequent transactions of the registered owner?—If there was any gain; but I do not think that even then there would be any gain, because those cases were all dealings by a registered owner with his purchaser, and the expense as given in each, except in two cases, I think I am right in saying, is about the same or rather more than in the case of unregistered land.

3028. When the land is registered would it not be necessary that some one with legal knowledge should look into the transaction and see that it was proper?—Certainly it would.

3029. Would there be any practical difficulty in dealing with the plans, the plan of a plot?—There would be no practical difficulty, but there is a good deal of expense. But the plan system of the Land Registry is good, and they take a great deal of trouble about it; and, as I say, it takes a great deal of time and costs money. If you do not mind the time or the money you can get a good plan from them.

3030. Supposing that I have a registered building estate, and a plot is sold, and the document taken into the registry, what would the Registry Office do; how would they make a plan of the plot?—They would take your plan and scale it off on the map, supposing you had not carried a plan in before, and identify it as they could by bearings and by roads. It is only fair to the Registry Office to say that they have their own way in dealing with that which would probably get over that difficulty. They advise you, if you are dealing with estates for building purposes, to bring a plan in plotted before you begin to sell. If you do not do that, and deal with the area unplotted, it would be almost impossible to tell what piece of land you sold.

3031. Supposing a building estate were of such a nature that you could not say beforehand how it was to be plotted out, then that difficulty could not be got over?—No, it would be a very serious difficulty.

3032. You spoke of the uncertainty of the identity of a person executing in the presence of A. B.; I suppose that in general some fee would have to be paid for the identification?—No doubt. It would not be a very large one. It is some time since I have identified anybody before the Paymaster General, but I think we used to charge an attendance fee for that. The rules under the Act at present provide 1*s.* 6*d.* for a magistrate who identifies.

3033. Would it be any part of the system that the magistrate should be a person known to the registrar?—I think unless you either do that, or require, as the Act of 1875 did, that the signature should be attested by a solicitor who would be by his position known to the officials of the court, there would be great difficulty. I do not see how the registrar can know that the person who attests holds the position that he claims to hold.

3034. In your view, then, one defect in the system is that it takes away the control of transactions out of the hands of those who are responsible officers of the court, and may put it

Mr. *Tomlinson*—continued.

into the hands of irresponsible people?—I think it would necessarily do so.

3035. You said that you had had some practical experience of the system in Austria; how does that system differ from the system as proposed under this Bill?—In Austria all transactions are carried out by a contract, and the practice is as follows: I have attended a great many completions, not professionally, but when I have been staying with friends I have asked to be allowed to do so, because I am interested in the matter. An appointment is made to meet the notary, who is an essential person in the transaction, and all documents are signed in the presence of the notary, and attested by him; he takes the document away and registers it in the Grundbuch, and when that is done the money passes. If the people know one another it is paid before.

3036. What is the notary?—He is like a solicitor.

3037. Is he an officer of the Court?—I am not sure whether he is an officer of the Court or an officer of a Guild, but he is a person over whom there is a ready means of disciplinary jurisdiction.

3038. You consider that a superior system to the system proposed by the Bill?—I consider it very superior to the system under this Bill. This Bill provides for no identification at all that can be relied upon.

3039. It is an additional means of security?—Yes.

3040. Does it make the cost very much more?—No, the cost of registration in Austria is small. The Government duties are very high, but the cost of registration is small.

3041. You alluded to the North-American system; what is that?—The North-American system is one of assurances by deeds; in all America that is the system. In Canada, in Ontario, and British Columbia the system now is registration, with a possessory title.

3042. Compulsory?—No, voluntary. Whether land can be removed from the register or not I do not know. The Act of Ontario has not been long passed, and there was a good deal of discussion about it.

3043. So that there would not have been many transactions under it at present?—No, I do not think so. I am not giving evidence as an expert upon the system in Ontario; it is only that when I have been in America or Canada I have always taken the opportunity of finding out what I could about it.

3044. Just one more question about a building estate. I suppose you would agree with the statement of other witnesses, that if this Bill is passed it would be absolutely necessary for the working of a building estate that the owner should register the whole of it; you would not leave the registration to take place bit by bit?—No doubt the owner would find it much better, if he were in a compulsory district, to register the whole of the estate with restrictive conditions before he began to sell. No doubt that would be desirable, and probably it would be necessary.

3045. I refer to an estate that is partly sold?—I was assuming that. I remembered your

Mr. *Tomlinson*—continued.

question to a former witness, and I rather assumed that.

Colonel *Long.*

3046. I understand that you think that there would be a certain amount of danger in future to a land owner if this Bill passes, which does not exist under present conditions?—That is so.

3047. Supposing that there were an alteration made so that under any conditions whatever of fraud the real owner always kept his land, would not that entirely do away with that danger?—It would largely improve the Bill; it would do away with that particular objection altogether.

3048. That risk would disappear?—That risk to the owner would disappear.

3049. In the case that you quoted of W. at Caterham, on page 129 of the Minutes of Evidence, if W. had registered that could not have occurred at all, of course?—No, but then you are introducing a new way of carrying on land speculation which he would have had a difficulty in registering and which he desired to avoid. It is customary now if a man buys a few acres of land, and does not propose to hold it but to dispose of it, that he rests on his contract and does not incur more expense; he goes to the vendor and says: "I have sold this plot to 'A. B.' for so much money, will you convey it direct to him?"

3050. That is a matter of saving money?—No doubt.

3051. Even without registration, I suppose, that by the modern law and the modern care titles are getting, except for new incumbrances, clearer and sounder?—They are very clear and sound now. It is really a great exception that we have any of the elaborate and involved titles which, before the reform of 1881, were so frequent and open to observation.

3052. In another 30 years every title without any register will be good and simple, except for any fresh incumbrances that may be put on, will it not?—I should say in less than that, in 25 years at the outside, because directly the Act of 1881 came in it was adopted immediately by solicitors, and no deed has been drawn since then by a solicitor, with any position to maintain at all events, except under the short forms which are authorised and made possible by that Act.

3053. Then, as a matter of fact, it would not be fair for me to suppose that after all, at the end of 30 years, the registered titles will be so very much better than they will be under any circumstances?—I do not think they will be even if you have an absolute title, which you will have, at the end of 30 years; but with the land now registered, for all practical purposes as I have shown by those transactions in Southampton, even dealing with an absolute title, you must make certain inquiries and incur certain expense, and I do not think that that expense in the case of registered land will be less than it is now with a properly conducted conveyancing business under the existing system.

3054. And it will be no safer?—It certainly will be no safer.

3055. In the case of the sale of an estate which is registered but which has certain incumbrances upon it, which cannot be registered, and which are guarded by inhibitions, they must be satisfied before you can sell the estate under any circumstances, I suppose?—They must either be satisfied, or he must be content to take the purchase and rely on the rest of his security, giving what is called a cessation, to be lodged on the title.

Colonel *Long*—continued.

3056. Would that be simpler than under the present system?—I think that under the present system it is just as simple; it is a short memorandum in either case.

3057. You found it easy to register a possessory title?—It was a great deal too easy.

3058. Would it not be harder when there was a possibility of compensation to be paid?—I do not see why it should be; there is no alteration made in the law about it. I think that there should be some alteration made. I think that it should be compulsory on the registration of a possessory title that the applicant should produce some evidence to show that by himself or his tenants he is in occupation of the land as the avowed owner. You do not want to go further than that or you get into expense. At the present time it would be possible for any Member of the Committee who did not object to making a false declaration, to go into the registry office and declare himself the owner of an estate which he had never seen and had no interest in whatever.

3059. You said that you thought that the length of time within which compensation could be recovered ought to be extended, I think?—At present by the Bill it is only proposed to make it six years, which is the time that now bars a common money debt, and the Bill makes no provision for the possibility of the real claimant being an infant or a lunatic, or away abroad, or under any disability. I think that provision should be made for that disability, and I think that six years is rather too short a time. The law should, I think, be the same as with regard to charges on land now, that 12 years should be required to bar your right.

3060. If you altered the word "accrued," and made it six years after discovery, would that do?—That still would not provide for a possible disability. It would meet the case in every other way.

Mr. *Seale-Hayne.*

3061. I understand you to say that you are in favour of registration personally?—I am, as a possible system.

3062. But you object to compulsion, and you object to compulsion even if a perfect system were devised?—I cannot in reason object to compulsion on a perfect system if it was thought right by Parliament. I do not think it is convenient, because I look at the competition between two systems as keeping down the expense of conveyancing and making the land registry more anxious to work their system to the benefit of the public.

3063. You would not object to compulsion if a perfect system were devised?—No, but no compulsion would then be necessary.

3064. You are aware, of course, that there are

Mr. *Seale-Hayne*—continued.

are difficulties which frequently arise owing to the uncertainty of ascertaining now who is the legal owner of a piece of land or a house?—I have never met with a difficulty of that kind since 1881, putting aside infancy. In the case of an infant it may be difficult to know who is the proper person to convey; but I cannot understand otherwise what the difficulty is now.

3065. You say that there is no difficulty whatever in ascertaining at the present time who has the legal estate in a piece of land?—I should say no difficulty whatever, excepting in the possible case of an infant heir; but I should think that there was no difficulty at all.

3066. At any rate, no difficulty of the kind has come within your experience?—None within recent years. I am limiting my answer to the period since the great amendments in the conveyancing law that were effected by Lord Cairns in 1881 and 1882.

3067. In what way did that Act of 1881 make the difficulties which arose previously to 1881 impossible or unusual now?—To take one instance: a tenant for life now has absolute power to sell; before that Act he had not. That is one instance; I could hardly go through them all, but that is one instance of what I mean. Before that you might have your estate so tied up by a settlement with trustees without power of sale, that you could not sell without going to the court, and sometimes not even with going to the court. Now, by the effect of the Act of 1881, a tenant for life has power to sell, and restrictions on that power are not valid.

3068. Have you ever heard of such a case as people paying rent to the wrong parties in consequence of the difficulty in ascertaining or having any information as to who has the legal estate?—I have not. I have had experience where there has been a doubt as to who the owner was; but the course which the tenant then took was that he did not pay the rent to anybody, which was more probable.

3069. You say that you have never had experience, for instance, of a tenant paying rent to the wrong person through not knowing who was the legal owner of the estate?—I do not remember such a case; I do remember a case in which there were conflicting mortgages, and there were cross notices given, and the tenant did not pay, but paid his money into court; but so far as I remember, that did not arise out of any difficulty as to who the owner was, but to the fact that the two incumbrances were conflicting, *inter se.* That is the only case that I remember at the moment.

3070. You are a member of the firm of Tucker and Lake?—No, that is my brother.

3071. You were questioned as to the difficulty that might arise assuming that a man in London, possessing an estate in Westmorland, sold it, and a forged document was sent to him to sign and a forged signature returned. Why is such a case as that more likely to arise under this proposed registration than under the present system?—Because, as a rule, we now deal with solicitors whom we know, and so have a means of identification. It occasionally happens that a deed is forged under the present system; but I have never come across one. Everyone knows, of

Mr. *Seale-Hayne*—continued.

course, the Roupell forgeries and the Dimsdale forgeries, but such cases are rare. You are dealing through solicitors who are themselves responsible.

3072. Have you never heard of a forged signature to a mortgage from mortgagees lending money?—Yes, the Dimsdale case was a case of that kind; but there the facility with which he committed his fraud was owing to the fact that he was dealing with a leasehold title depending on one document only, just as he would be now under the registration. That case affords one of the reasons which made me say that it would be much easier to forge on a registration system dependent on one document only, than it is on a system which depends upon a chain of deeds.

3073. Have you never heard that people who know nothing of business matters have trusted their solicitor to get a mortgage for them, and the solicitor has exhibited what purported to be a mortgage but which was a document with forged signatures?—Members of my profession have more than once, I am sorry to say, committed frauds analogous to that, but not quite in that way; it very rarely comes from forgery. A different class of fraud has happened more than once when people ignorant of business have taken the assurance of their solicitor that a bundle of deeds tied up in brown paper and endorsed contained the title-deeds of property, when it turned out not to be the fact; but it is not often that forgeries are committed.

3074. You said just now that the registration of companies was established to enable companies to pay dividends to the right persons; why is it not equally desirable to have a register of persons having the legal estate in hand so that tenants may be certain of paying their rent to the legal owner?—I do not think there is much difficulty. I should answer the first part of the question by saying that such a register appears to me to be unnecessary now that the deeds themselves in a man's own hands constitute an efficient register; and, on the other hand, I should point out that as against his landlord a tenant has no answer; he cannot dispute the title of his landlord to receive rent unless he has received counter notices, in which case he pays the rent into court, and is under no serious difficulty. Moreover, there is another point, which is this, that under the present Bill the register would not help the tenant, because he would not have the right to go to the register to see the document.

3075. Under the present Bill would he have no right to see who owned the legal estate?—Certainly not.

3076. You complain that under the present Bill it would be too easy to register; that there was nothing to prevent a person walking into the office, and stating that he was the owner of a certain estate?—Except that he has to make a statutory declaration there is no inquiry made.

3077. You also, I think, objected to the system on the ground that it is too expensive?—No, I do not think I stated that. I said that the expense of dealing with property after registration, even with an absolute title, would be very much the same as it now is.

 3078. I would

Mr. *Wayman.*

3078. I would only just ask you this simple question: did I rightly understand from the answers you have just given to some questions that have been put to you that you are opposed to any single system of land transfer?—No, I am not opposed to it.

3079. I thought you said that you were of opinion that it was decidedly in the interest of the public that there should be more than one system?—I think it is very desirable that the existing system, which at present meets the wants of the public, should go on side by side with a new system of registration of title, so that the one should act as a sort of check upon the other, both as regards expense and convenient dealing.

3080. Then, if you were confined to one system only, you would probably be disposed to prefer the plan which is under consideration, that is, the plan of compulsory registration?—No; I prefer my own system, with which I am perfectly familiar, and which I think myself has not been shown to be open to any serious objection.

3081. You prefer it to the one proposed in the Bill?—Very much. It has been growing up for centuries and we are thoroughly familiar with it, and so are the landowners. There is no transaction that you cannot carry through by means of it both quickly and at small expense now.

3082. With your large experience you say positively that in your opinion it is quite as easy and cheap to transfer under the present system as it would be under the system proposed by the Bill?—That is my view; and I think that the figures which I have given to the Committee show that my views have, at all events, some support.

Mr. *Haldane.*

3083. Notwithstanding what you said just now to Mr. Wayman, I believe you are a declared advocate of the system of registration of title?—I should not go so far as that. I have always, ever since I have been in practice, believed in the possibility of establishing registration of title, which has unquestionably some advantages.

3084. You object to the system which is proposed by this Bill on grounds which may be classified, I think, under three heads, the liability to fraudulent mistakes, expense, and delay; but if those could be got out of the way you say that there are advantages attaching to a system of registration of title?—Yes.

3085. Why do you say that?—It may obviously be an advantage to be able to have your title completely cleared. Then I should take it off the register, because you will deal more easily without it.

3086. Assuming that you could deal with it easily on the register, would you do so?—The difficulty is that you are asking me to assume something that I cannot concede to be possible. The Committee must deal with what they have got before them, the existing system.

3087. Do I correctly understand your support of a system of land registration to be limited to this: a system under which you could put your title upon the register, get it cleared, and then take it off?—No; that is one advantage, but there are many other advantages in registration of title if you can get it without being unduly hampered with the necessity of going to an official.

Mr. *Haldane*—continued.

3088. That is what I wanted to get at. What are they?—You can put all your title into a short space, and then you can, or you ought under any proper system, to be able to hold it with the same facility as you keep your title deeds, and with as little danger; and you ought to be able to use your certificate of title just as you use your deeds with a banker now; in other words, a certificate of a registered title would be as good and as clear a proof to most bankers that you had an absolutely good title.

3089. In all those respects you think that a proper system of registration of title is clearly superior to the existing system of conveyancing?—No; under the existing system I should have Mr. Wolstenholme's opinion instead of your land certificate.

3090. But you said just now that a system of registration of title has great advantages over the existing system?—Yes; I would even go so far as that in some special cases. I think that in dealing with building estates for a time a system of registration of title has some conveniences even over the present system.

3091. But you speak, rather, as if there were two millenniums, one the existing system, and another that is to come; a system of registration?—I think that the second millennium is a long time coming; but the first one, I think, thanks to Lord Cairns' Act, is very nearly approaching.

3092. Before I come to some of your objections, I want to know a little more about these reforms of 1881, and particularly 1882, because those are the chief reforms; and I want to know about their effect. You were asked, I think by Mr. Seale-Hayne, about the changes which those reforms have made, and you instanced very justly the power of a tenant for life in possession instead of in equity to sell property and make a title?—Yes.

3093. That was one, and, as you have said, the main reform?—That is the main reform.

3094. Indeed there is none other of great importance, is there, unless it be, for instance, the vesting of land in the legal representative of the trustees under the Act of 1881?—That is so.

3095. But we are dealing now not merely with conveyancing forms and not merely with shortening of deeds, but with questions of title. Can you instance any other broad change in the way of simplifying title that was made in 1881 or 1882?—The limitation of time during which the title was to be carried back, I think, was in 1881.

3096. No, that was in 1874?—I speak under correction, but I think that was amended in 1881.

3097. My impression is that it was amended in one particular but not in that?—It may be so. That only shows that I ought to have referred to it as well as the Act of 1881.

3098. I once wrote a book upon that, so I speak from some knowledge?—I do not think that Mr. Haldane need justify his qualifications to speak as a real property lawyer.

3099. I think

Mr. *Haldane*—continued.

3099. I think it was the Act of 1874?—Yes, I find that it was.

3100. In 1874 what was undoubtedly an improvement was made, that is to say, the limitation of the period to 12 years?—That is so.

3101. But with the exception, I think, of those four heads which I have mentioned, there is nothing substantial, no big change which has been made in reforming the real property law in the way of simplifying titles of late years?—That is certainly the chief reform; but this book shows the whole of the alterations: and I hesitate to say that that is the only important one.

3102. The main changes have been chiefly in the direction of simplifying the system of conveyancing rather than in the direction of simplification of title?—That is so.

3103. But now let us come to what you have been talking of. A good deal has been said by more than one witness to the effect that under the existing system cases of fraudulent dealings with an estate are very rare. In the case of a first-rate firm like yours, dealing only with first-class clients, I should think it is so; but in the experience of my branch of the profession, for instance, taking absolute numbers, they are very frequent. Am I not right in saying that the Law Courts at the present time are crammed with cases of difficult title?—Yes.

3104. Mainly owing to frauds?—I should say not mainly owing to frauds. I venture to give a reason from my own experience, I am president of the Disciplinary Committee of our branch of the profession; and of the 731 complaints which have come before that committee since the Act was established only ten (I have been through them myself) had anything to do with fraud, forgery, or suppression of deeds.

3105. I notice that; but that only applies to cases in which the solicitors were the direct acting parties in the fraud?—That is so.

Chairman.

3106. And in which they were alive at the time of the inquiry?—Yes, at the time of complaint.

Mr. *Haldane.*

3107. And the solicitor has often died before it is discovered; and very often in my experience it is an ingenious layman who has committed the fraud and taken in even the solicitor?—That often happens.

3108. I will give you a couple of cases which have come within my own notice. One was the case of a builder who was ingenious enough to go to the tenant for life from whom he was buying a building estate down in Surrey, and the tenant for life granting him the building leases was persuaded, and his solicitor was persuaded, to execute (you may wonder at it, but it was so) the same lease four or five times over, I forget which. The result was that that man was able to borrow from four or five sets of mortgagees upon the same title, and there was endless litigation, and in that case a number of innocent people lost their money. That is a kind of case which would be impossible under any system of registration of title, is it not?—

Mr. *Haldane*—continued.

Not at all; if I could get Mr. Holt to give me four or five certificates of land, I could do exactly the same thing.

3109. In the case of registration, practically, the only chance, I say practically, of loss through fraud is if you can light upon a fraudulent registrar. In the case of the present system the chances of loss through fraud occur wherever you can find an outside person, a member of the public, it may be, ingenious enough to take advantage of the parties that he is dealing with; is not that so?—Whatever system you have there will always be someone who can find an opportunity of fraud. The only difference between us, I think, is as to which system will afford the greater facility.

3110. It is vastly less likely, is it not, that you would be able to find a number of fraudulent registrar than that you would be able to find a number of fraudulent persons outside?—I do not expect to find fraudulent registrars much in this country; but such cases have happened.

3111. There is Peterson's case in Australia, that you have told us of?—Yes.

3112. But, taking things as they stand, do not you think that the chances of a registrar being able to commit frauds are vastly less than the chances of outside people being able to commit frauds?—Probably.

3113. And consequently, although there would be the risk of fraud, which you point out under the projected system, it would be a less risk than you have under the existing system?—Are you excluding forgery?

3114. I am including forgery?—I think it would be very much easier to forge a land certificate, or a land transfer, than a deed.

3115. I agree, if there was a fraudulent registrar?—But even if there were not a fraudulent registrar it would be very much easier for me to go to the registrar in Lincoln's Inn Fields, or rather not for me, because I am known there, but for someone to go to the registrar and represent himself as having a transfer signed by the true owner, and certified, apparently, by a justice of the peace, than it would be for me to go with a fraudulent deed, which I should have to submit to a solicitor.

3116. Do not you think that he might be a lax solicitor?—I do not think so; the Bank of England is an instance to the contrary.

Mr. *Ellis.*

3117. Would you not also have in addition to a fraudulent registrar to have a fraudulent assistant concurring?—No, I do not think so.

Mr. *Haldane.*

3118. Still there would be an assistant in the office who would see things going on?—Yes, but I do not think that would add to the security. I am not now dealing with the fraudulent registrar himself. I can quite see how a fraudulent registrar, if one may make such a hypothesis, would be able to do what Redpath and Robson did in their registers in the Great Northern and Crystal Palace cases; they had a large staff whom they managed to deceive. But, putting that aside, as a not probable contingency, it is easier to produce a transfer with two forged signatures

Mr. *Haldane*—continued.

natures on it that has to be submitted only to the registrar, who has no duty towards either party, except to see that the transfer is put on the register, than it is now to produce a forged deed which has to be submitted to a solicitor who knows that he is dealing with another solicitor who would certainly make careful inquiries.

3119. I am not sure of that; in my own experience I have seen it done very easily; I do not mean to say that I have seen the forgeries done, but I have seen the after consequences. I will give you a case that I argued myself in the House of Lords, the case of an ingenious builder who got hold of a piece of land and he forged one set of title deeds, and then he made two mortgages; he got the abstract actually attested; he got it certified as examined by a solicitor; how, I do not know, but he did; he need not have done it, but he did; he forged two sets of deeds and persuaded two sets of mortgagees to advance money. Then it turned out, on careful investigation afterwards, that there was a legal estate outstanding; nobody knew where, but it was outstanding, and none of these reforms obviated the effect of it. One of the mortgagees was able to get hold of it, and the question went up to the House of Lords as to who had got the priority. There was a case of forgery committed perfectly easily through an experienced building estate solicitor, who was taken in, and which led to the loss of an enormous amount of money?—I say that such cases will happen; there is no system that you can devise but someone will be more ingenious than yourself and will evade it by forgery or fraud; but still, I go back to my old position, that it is easier to do that with a certificate which is chiefly a printed form than by deeds. We know that it was done by deeds in Roupell's case.

Chairman.

3120. That was a will?—That was a will and a deed of gift I think; but both were involved.

Mr. *Haldane.*

3121. I will not put upon you the effect, it is very hard; but if it should turn out that there is any large proportion of frauds committed under the present system, do you not think that the probability is that a large proportion of them would be very much obviated if a successful system of registration of title could be established?—I cannot say so having regard to the opinion that I have already expressed; it would be contrary to what I have stated. I do not think you will find that there is a large number of frauds under the existing system; but if you do I think you have got to show that it will not be equally easy (in my opinion it well be more so) to commit similar frauds under a system of registration.

3122. You and other witnesses have spoken even more of the shortened time in which these transactions take place, owing to these reforms; we know that under the Vendors' and Purchasers' Act, 1874, it is 40 years, and that in practice very few people ever ask for 40 years?—That is so.

3123. Am I not right in thinking that the

Mr. *Haldane*—continued.

effect of the authorised scale of charge and the consequent abolition of the system under which solicitors were paid for each item, has tended to shorten the titles that solicitors take?—Yes.

3124. Am I not in your experience further right in thinking that the result has been that titles are not as good as they were?—I can only speak from my own experience. I never but once had a bad title come before me. There is I think that slight danger; Mr. Wolstenholme mentioned it himself.

3125. I can give you a case that came within my own knowledge, which I argued in the Court of Appeal. It was a case that occurred in Shrewsbury in Mr. Greene's constituency. There was a piece of land that was bought for the purposes of a club, and a local solicitor was employed. The vendor claimed it, and another man said that he owned it with a superior title; the vendor said that he had been in possession of it, and his father had been in possession of it a long time, and that he would make a statutory declaration that they had been there 30 years. The solicitor took the declaration, the club bought it and proceeded to erect a building, and then it turned out that the other party had been in possession and paid rent for eight years. The result was that the club, in order to prevent their being turned out and to save their building, had to pay the purchase-money twice over?—You seem to have been very unfortunate in your clients.

Mr. *Greene.*

3126. May I say that the club acted against the advice of their solicitor?—I was going to say that I could not conceive how it should have been done unless the solicitor was in conspiracy with the vendor, because the solicitor for the vendor must have known what the title was. If it turns out, as apparently it does, that the solicitor for the purchaser warned the club, the case fails to have any serious consequence here except as supporting my argument, which I think is well-founded, that if you are going to have any system of registration you must have some class subject to strong disciplinary power to authenticate the documents which are registered.

Mr. *Haldane.*

3127. If you take a title of less than, say, 30 years, which is a very good limitation to take, you have practically the risk of there being a reversion outstanding; it may be that you have confounded leasehold with freehold. That has happened in my experience and I daresay in yours?—Yes.

3128. Or it may be that the remainder is expectant on a life estate instead of an estate in fee simple?—Yes.

3129. Or it may be the case of an infant who has had a claim on some one who is over the seas, so that the Statute of Limitations does not apply?—Yes.

3130. All those are cases which a registration system would obviate, are they not?—I think it would probably; I do not see why it should not. The question is at what cost would it do it.

3131. Now let us pass from that; let me ask you

Mr. *Haldane*—continued.

you a question or two about mistakes. I will take the Caterham case, as I call it for short. That was a case in which the landlord, forgetting that he had sold the outer part, answered an inquiry of the registrar that all was right, and the registrar put on one of the purchasers as owning the whole of the land?—Yes.

3132. Might not that have happened under the existing system, supposing he had been an ordinary owner and he had left it to the purchasers to prepare the conveyances and they prepared the conveyances, and in one of them the whole of the land had been included and executed *per incuriam*, and the legal estate had got into the hands of the purchaser; I think in your case the purchaser died, but the legal estate might well have got into the hands of the purchaser for value on consideration of notice?—The purchaser would have had to go into possession, and if more land was comprised in his conveyance than he actually went into possession of or was described by his abuttals and boundaries, he would get no title to the offlying part.

3133. He need not go into possession?—Yes, he must, by himself or by his tenant.

3134. He need not have gone into possession; he might have sold again to an innocent purchaser, showing a good title?—I cannot say that it is impossible, but it is very improbable.

3135. I have known properties sold in that way where it never was intended, and the legal estate got into innocent hands for value?—I have had just the contrary experience. I have never known a mistake made like that where the title did not pass; but it is conceivable. But the abuttals as a rule would save you from that mistake, coupled with the plan.

3136. Am I right in saying that nowadays the Court of Equity will not stir against a purchaser for value without notice, and consequently you always run risks?—Yes.

3137. And under a registration system that is obviated, unless there is such a blunder?—That is so; it is obviated unless there is such a blunder as occurred in the Caterham Case, a case in which they ought to have been particularly careful, because they gave an absolute title, whereas under the present system you give a possessory title only.

3138. Now, let me draw your attention to the rules which have been passed since the date of the case which you refer to. Your case was under the Act of 1862. It might have been under the Act of 1875, as the Act of 1875 originally stood; but you have got the General Instructions of the Lands Registry, and if you look at page 2 you will see that in order to apply for registration, even with a possessory title, you have to deposit a plan; and if you look at page 95 you will see that the plan is now of a certain particular order; it is (b) at the top of page 96: "All maps furnished for registration shall be, or shall be prepared, from sheets of the Ordnance map on the largest scale extant for the locality, corrected, if necessary, so as to define the boundaries of the property clearly, and showing the boundaries of the property by a red line drawn round their outer edge. All maps shall be in sizes corresponding to the sheet, half-sheet, or quarter-sheet, of the Ordnance map"?—Yes.

Mr. *Haldane*—continued.

3139. I do not say that in every case that would meet matters, because it would not where there was a very minute boundary; but in the sort of case that you put of a considerable plot, a substantial plot, that probably would have obviated it, would it not?—No. In the Caterham case they did produce their map; they brought their map to the registry, and the officials at the registry were uncertain how far the boundary extended. Then they wrote to a person who could not know much about it, to ask whether his boundary was the southern boundary of the estate or the inner line.

3140. It might be that in that case there was a mistake made on the map through the plots not being shown upon it?—Certainly.

3141. If there had been a proper system of mapping, that is a mistake that the vendor would have been very unlikely to make, would it not?—But the vendor did not make the mistake in that case; he conveyed the land with a proper plan; the mistake was in the registry office.

3142. On a statement from the vendor?—On a statement that they asked for from the vendor; but if they had scaled the map they would have known that it was a mistake; if they had scaled the map the mistake could not have arisen.

3143. All I am suggesting to you here is that it is a mistake which really could have arisen under the present system and ought not to arise under a series of titles?—I agree that it ought not to have arisen; but I do not see how it could have arisen under the present system.

3144. Take the case that I put of the conveyance being wrong?—But the conveyance was right in the case that I put.

3145. The conveyance was on the register?—No, the owner was on the register; the conveyance that they brought in was a conveyance which by its plan showed exactly what was sold. The registrar by carelessness put another line in, and so conveyed the land to the sub-purchaser which did not belong to him; but the mistake was in the registry. And I used that illustration, not as reflecting on the registry unnecessarily, but to show that where you have a system which depends entirely upon accurate mapping, you must not lose sight of the possibility of mistake even in the registry office.

Chairman.

3146. From the point of view of the necessity of abuttals, that is your point?—Yes.

Mr. *Haldane.*

3147. Let me ask you a few questions about expense. You gave a number of instances; and, before I go to those instances, there were one or two general things that you pointed out. One of them was that under the existing system there was a necessity for an abstract along with the title as shown upon the register?—Yes.

3148. That is, to show leases that do not appear on the register of less than 21 years?—No, it was to show leases that do appear on the register; I should have to show them as well. In the instance that I gave there was a series of notices that the land had been leased to A. B., and the purchaser could not know the conditions of those leases unless he had an abstract.

Mr. *Haldane*—continued.

3149. You would have an abstract of leases that did not appear, an abstract of leases that did appear upon the title, and an abstract of dealings with an equitable title outside the register?—Yes, you would have those three; you need not give them all to the purchaser.

3150. Supposing, that instead of this system with which we are dealing, we were to take Mr. Wolstenholme's system, in which I understand you concur in great measure of having a string of fee-simple titles following each other on to the register, and the equities not affecting them; you would have exactly the same difficulty, would you not?—Yes; but in your own room, with your own mode of dealing with it, and your own time for dealing with it, instead of being compelled to go to a public office.

3151. But you do not go to a public office for these extraneous matters; you have them in your own room even with the registration system?—That is true.

3152. And under Mr. Wolstenholme's system you would have them also in a separate abstract; and under the present system you have them just as much, but you include them in the same abstract?—We generally put them in the same abstract.

3153. They are not an addition to the title; they are on the title, which exists at the present time?—No. I used that illustration as showing the impossibility of getting the extreme facility which (very much by yourself) it has been put to our lay witnesses that you cannot get. In dealing with land as the law of England allows you to deal with it with the greatest possible facility, you cannot help having some dealings in addition to the mere statement with whom the legal power of disposition rests.

3154. That is so in some cases, but it is not so in all cases?—It is so in the large majority of cases. It is very seldom that A., an absolute owner, without encumbrance, sells to B., an absolute purchaser having the money ready. In those cases registration may afford a certain facility, and may be a less expense; but, according to my own experience, such simple cases are quite the exception; that is rather a strong phrase; they are a small minority of cases.

3155. Take the cases that I put to those witnesses to whom I put the small figures in the scale; take the case of an owner of a building estate registered with an absolute title who wishes to grant a large lease of plots, all according to certain restrictive covenants which are in common form, to be varied very slightly; then it would be a distinct advantage, would it not, if he had a capable agent to be able to go and simply make the transfer on the register without anything more?—If he has an agent on the spot, of course it is more convenient than when he has not an agent on the spot; but I do not know why it would be more easy than under the present system.

3156. Would it not be cheaper?—I do not think it would even be cheaper. In dealing with a building estate the cost is very small; I could not add to Mr. Ward's evidence on that; it is far cheaper than I had any idea of.

Mr. *Haldane*—continued.

3157. Supposing that there was an owner who had a number of transactions following each other with a number of conditions all in the same form, why should not his agent, I do not mean his solicitor, but his local agent——?—I am quite sure that you, representing the Land Registry, would not mean his solicitor.

3158. Why should not his agent go and make these transactions one after the other for the statutory fee of 10*s.*; you were talking of cases under 100*l.*?—He can, just as at the present time he can attend, as we do, and settle these cases for a very small fee, and carry out all these conveyances in one day.

3159. At the present time he must go to a solicitor, who charges him 1*l.* 10*s.* or 2*l.* 2*s.*?—Or 10*s.* 6*d.*, I think the witness from Bristol gave it.

3160. If we have got it down to 10*s.* 6*d.* we cannot improve much on that. But I want to follow up this matter of the costs, and to ask you on one or two of the illustrations that you put in. We have had a great deal of evidence, of course, from solicitors, particularly from the country, to the effect that they do business for much under the scale rate?—That is so.

3161. In your opinion, is the scale rate too high?—I share your opinion that it is not, but competition practically brings it down. I do not think that the scale is too high for the responsibility that the solicitor takes, but that does not alter the fact that competition very often prevents our getting it.

3162. If you were to examine me I think that solicitors, in the main, are underpaid?—I wish I were examining you.

3163. But, now, we will start with the instances that you have given us here, that you have put in; these are the Southampton cases. The first is a bill of 4*l.* 4*s.* 10*d.* from the Land Registry; the solicitor's authorised charges were 5*l.* 5*s.*, and the purchaser's charges, under the Solicitors' Remuneration Act, 9*l.* 15*s.*?—If the land had not been registered.

3164. In the second column, "Authorised charges under the Land Transfer Act;" are you giving there both the vendor's and the purchaser's solicitor's charges?— Those are the charges actually paid by the purchaser. I was myself solicitor for the vendor.

3165. In order to get a fair comparison, I think you would have, would you not, to give the joint costs of the vendor's and purchaser's solicitors, and the registration charges which enure to the benefit of both vendor and purchaser, and then compare them with the united vendor's and purchaser's solicitor's charges under the scale?—I could easily do that, but I do not know that it would be worth while, as I was trying to show what the total cost would be to the purchaser of dealing with the land with a registered title. I could also show what it would cost to the vendor's solicitor; but I did not think it was required.

3166. Take the first case, we will not follow them out, 9*l.* 15*s.*; that would be not quite double if you added the vendor's solicitor's charges, would it not?—It

Mr. *Haldane*—continued.

—It would not be quite double, but it would be considerably increased; 7*l.*, I think it is.

3167. That would be 16*l.* 15*s.*?—Yes.

3168. What would the vendor's solicitor's charges be under the scale?—£6 6*s.*; it is the same scale apparently; there is only one scale. I thought it applied to the purchaser only, but it appears to apply to both.

3169. I was only trying to get the total cost?—The total cost, then, must be exactly double the authorised solicitor's charges under the Act; that would be another 5*l.* 5*s.*

3170. It makes a little more difference, but I agree, not substantially very much; it is 14*l.* against 16*l.*?—Yes.

3171. But I am struck with this, and this is really why I put the question to you: that under the scale of solicitor's charges, for what in many cases they must be doing a great deal less work than the registrar would, if you add vendor and purchaser together, amount to considerably more than double what the registry gets; why should a solicitor be necessary for either the vendor or the purchaser in a great many cases; or, if he is necessary, why should he be called upon to do work that would lead him to charge that amount; I can understand a solicitor, acting under the present system, charging the scale if he can get it, because it is no more than a fair remuneration for his work; but when you have got a registry in operation, do not you think that these fees were put in the Land Transfer Office in the hope of conciliating professional opposition?—I do not think that that crossed the mind of the Land Registry. I am afraid that either from higher instructions, or for some other reason, they have made up their mind that the object of the Land Registry is to aim so far as possible at eliminating the solicitors from dealings with land. It may be a very good object, but naturally the solicitor does not approve of it. But I do not think that they put in those fees in the least degree with the idea of conciliating solicitors.

3172. But you see they have allowed them more than double what they get?—My own idea is that the registry get a great deal too much as it is.

3173. £10 10*s.* against 4*l.* 4*s.*?—Yes; there is a good deal more to do in most purchases or sales than simply to attend at the registry and transfer the deed. There would probably be a contract, there may not be; but there probably would be negotiation as to the terms of that contract. There must be, under the present system of land registry, an inquiry as to what the land consists of, with its boundaries and abuttals there. The register will give me information upon either point; but there must be inquiry and search by someone with some knowledge as to the existence of a caution. He may find that there are no cautions, and then it is only a search.

3174. You do not think that the tendency would be, seeing that the public could do a great deal of it themselves when they were accustomed to it at any rate, to bring down the rate of solicitors' charges?—Very possibly. It has done so now; because if the public find out that a solicitor charges too highly, his charges will fall in accordance with the general law of competition.

Mr. *Haldane*—continued.

3175. I am not talking of grinding people down, sweating people; but might we not reasonably look forward, if the land registration system were a success, to a reduction of fees?—It is extremely difficult to answer questions of that kind when you put upon me a hypothetical state of things. If you give me a register showing exactly the land I am going to buy and giving me a schedule in the same way, which is not merely a schedule of an area outlined by a red line, but with definite boundaries, you take away a good deal of the work which the solicitors have done up to now, and you are quite justified in saying you must not pay them for that.

3176. I am speaking of such a register; do not you think that the charges for such a register would be considerably less then?—I think it is possible; but, as I said before, I have never seen such a register yet, here or elsewhere.

3177. There are just one or two other matters that I will deal with very shortly, about which I want to ask you. For example, you contrasted with the costs which are shown upon this document with which I have just been dealing, the costs in a case on page 133 in your evidence. It was a case of a mortgage for 52,000*l.* in Middlesex. What I want to ask you is this: You say that the cost, exclusive of stamp duty, that is, your bill including the actual document, was 65*l.*?—Yes.

3178. What would the costs have been under the scale?—Considerably more than that.

3179. If I am right in thinking that under pressure of competition you work under the present law for less than you ought to work for, it is rather startling, is it not?—Startling that you should do so.

3180. You give me a case in which it has happened that even if the scale is a right scale (and you agree with me that it is), you cannot take it as the normal scale?—No, you cannot; but the object of that illustration was this: that there is now competition, and you are going to take it away; you want to put the business entirely into the hands of the Land Registry, and to take away the element of competition that now exists.

3181. We should save you, no doubt, from being sweated?—You would save us from being sweated by the public, but I am afraid we should be equally dealt with by the Land Registry.

3182. Just tell me what the scale charge is in that case?—Something a little over 170*l.*

Chairman.

3183. It is 175*l.*?—Thank you.

Mr. *Haldane.*

3184. Instead of that you only charged 65*l.*?—Yes.

3185. And in the other case of 25,000*l.* you appear to have charged 76*l.*, that is rather more; but I daresay it was a more difficult case?—It was the register in Middlesex that was the great nuisance in that case.

Chairman.

3186. The scale is 107*l.* 10*s.*?—Yes.

Mr. *Haldane.*

3187. And the Middlesex Registry fees in addition?—Yes.

3188. Then there is another case of 16,000*l.* in which your costs were 25 guineas; in that case the scale charged would have been how much?—£85.

Mr. *Haldane*—continued.

3189. So that all those cases are cases in which you chose to do the work for a great deal less than you were entitled to get?—Had to do it rather than chose to do it.

3190. You did do the work, at all events?—Yes.

Thursday, 20th June 1895.

MEMBERS PRESENT:

Mr. Attorney General.	Colonel Long.
Mr. Thomas Henry Bolton.	Mr. W. F. D. Smith.
Mr. John Ellis.	Mr. Tomlinson.
Mr. Greene.	Mr. Warmington.
Mr. Haldane.	Mr. Wayman.
Mr. Seale-Hayne.	Mr. Wickham.

MR. ATTORNEY GENERAL, IN THE CHAIR.

Mr. BENJAMIN GREENE LAKE, re-called; and further Examined.

Chairman.

3191. I THINK you have some reference which you desire to make to your former evidence?—At Question 2887, dealing with the question of the period within which a claim must be brought against the insurance fund, you asked me whether I was aware what the rule was in Australia, and I am now in a position to answer that question.

3192. If you please?—Under the Australian system, the period limited is, as in this Bill, six years, not 12 years as I ventured to suggest for reasons which I gave; but, on the other hand, the Australian Act provides, which the Bill does not, for disability owing to infancy, or lunacy, &c.

3193. And that would meet your views?—Yes. Then with regard to one other point on a similar subject, I am now in a position to say to the Committee that registered land is subject to the operation of the Statute of Limitations throughout the Colony of Australia, with the exception of New South Wales. Since last Monday, and I suppose in consequence of Alderman Bennett's evidence, which has apparently led to a great deal of interest in Nottingham, I have received three other communications from the Nottingham and Midland Counties Permanent Benefit Building Society, from the West Bridgford Mutual Freehold Land Association, and from the Thorneywood Freehold Land Association, all of them deprecating the compulsory establishment of a system of land transfer as proposed by the Bill.

Mr. *Greene.*

3194. Can you give us the terms of those resolutions?—The terms are these: The first one, the Nottingham and Midland Counties Permanent Benefit Building Society, is of opinion "that the Land Transfer Bill of 1895 would fail to confer any benefit on this, or any similar society" (I believe Mr. Alderman Bennett belongs to that Society). "That the result of such a Bill becoming law would increase expense, and cause delay in all dealings with land under the rules of the Society, and work oppressively towards, rather than helpfully, to the provident working classes who avail themselves of the means afforded by building societies of acquiring land."

Mr. *Greene*—continued.

Chairman.

3195. And the others are in similar terms, I suppose?—Yes, not identical but similar.

3196. I have received three or four of these resolutions, I have not brought them before the Committee, I think they have all been put in, but they are all, I think, from Nottingham?—Yes; they are in consequence of Mr. Alderman Bennett's evidence no doubt, which was apparently circulated pretty widely.

Mr. *Haldane.*

3197. There are just one or two questions that I should like to ask you: You gave us an account of a loan which you have carried out, the issue of 500,000*l.* in debenture stock?—Yes.

3198. That was secured by a trust deed, I think, to secure the debenture holders?—Yes.

3199. You told us that your charge for that was 367*l.* 10*s.*, excluding disbursements?—Including disbursements other than stamp.

3200. Including all disbursements except stamp?—Yes.

3201. Will you kindly tell me what the scale charge would have been exclusive of disbursements?—I do not think it would be so much, because this covered the issue of the prospectus, because the scale stops at 100,000*l.* (*After referring to a book.*) The scale would be 455*l.* if you include the negotiating fee.

3202. And would that include the investigation of the whole of the titles?—It would do so.

3203. Sometimes these investigations are very heavy matters, are they not; for instance, take the case of debenture trustees to secure the debentures of a brewery?—This was a brewery.

3204. Where all the properties are passed over and the title is investigated, in a case of that kind would the scale apply or would a special

Mr. *Haldane*—continued.

special arrangement be made?—In all those large cases a special arrangement is always made.

3205. Has to be made?—Has to be made, because it is a very serious business.

3206. Supposing you were dealing with a case on the register, of course the debentures would not go on the register because they do not affect the legal estate?—No.

3207. And, of course, the conditions in the debenture trust deed, which one knows is a long affair, would not go on the register?—No.

3208. But what you would have on the register would be the simple transfer of these properties to trustees for the debenture holders?—Yes.

3209. That would be the plan of business if it was merely a case of transfer by absolute title registered in the company; but it would be a matter involving investigation if it was only a possessory title?—Yes.

3210. Even taking the case of a possessory title the costs would not in any case be substantially more than under the present system, would they?—They would be additional, whatever they were; because you concede that a trust deed must be prepared, which is the chief part of the work.

3211. The conditions would have to be scheduled with the actual transfer?—That only takes two clauses of the trust deed.

3212. It is a schedule of properties?—You must have the schedule of properties in the trust deed, because you have to produce the trust deed to those interested in the debentures, and they like to see what property they are going to lend upon. I have here the schedule in this case (I do not wish the name to appear); it is a very long schedule (*handing in the same*).

3213. The schedule is the longest part, in fact?—No, not quite, but very nearly.

3214. Then you must have a copy of it?—Yes.

3215. But there would be a deed of substantial size transferring the property; and the substitute for that would be an entry in the register?—That is so.

3216. Is not the case really summed up in this way: that the public think they pay too much for the transfer of real estate, and therefore they proceed to cut down your scale, to which you submit, partly, no doubt, owing to competition; but partly because you think that to meet the exigencies of business you must do so?—And partly also when the scale is reduced (I speak of my own practice only) it is because I am relieved from a great part of the work. For instance, in this large brewery that I am referring to now, I was authorised by those whom I represented to accept a statutory declaration by a solicitor who had purchased the properties at any time within the last five or ten years, and who could produce either counsel's opinion, or answered requisitions reasonably satisfactory to me, without my investigating the title, and being responsible for it.

3217. That might be, and no doubt was in that case, a very satisfactory way of transacting business; but, still, it was taking the assurance of somebody else as to title, instead of getting an official or direct assurance of your own?—It was treating it, in fact, as if they had purchased with a possessory title at that date.

3218. Would it not come to this: that the public thinks that in a good many cases it pays too much for land transfer, while the professional people engaged, on the other hand, feel that they are underpaid in a great many cases for the work which they do?—I doubt whether the public feel very much about it. A certain number of people do, possibly, but I have either been singularly fortunate in my clients, or I have had singularly little experience, for I have rarely had any complaint about the cost of conveyancing.

3219. You do not get the scale, I think?—I get the scale in many cases, and I do not think it is too much; but with these large special transactions I do not get the full scale, because I am relieved of the responsibility. I would not take the responsibility of a 500,000*l.* title unless I were paid the full scale that the law allows me.

3220. But Mr. Saunders, who comes from Birmingham, and other witnesses from the country, told us that they cannot get the scale?—No, they cannot in ordinary small transactions.

3221. Which proves, does it not, that the public thinks it is too much to pay?—Does it prove that so much as that there are more solicitors to do the business than are necessary?

3222. That opens up a large question; but, at any rate, the public does not, and will not, pay the proper charge?—They do not.

3223. Does that not point to this: that the system under which conveyancing takes place is more complicated than the conditions of society warrant?—I do not know that I quite follow that. So far as my evidence is accepted as accurate (and, no doubt, on facts the Committee will accept it as accurate), it does not cost less to deal with your registry than it does under the present system with the addition of competition.

3224. That is not the point. Whether you are paid for just so much as you do or not, do not the public think that you are charging more, in so far as you charge the authorised scale, than the exigencies of business warrant?—They may think that. I think that in London the scale is very much charged. In the country, where there is active competition and more solicitors to do the business than there is business for them perhaps, no doubt competition reduces the charges below the scale very much, but I doubt whether I can accept the assumption in your question that the public care very much about it. I have tried three or four times during this movement in favour of a Bill making the registration of title compulsory, to get up a discussion in the papers. I have written to the "Times" occasionally (and I always write in my own name), but I cannot get the slightest discussion; the only persons who discuss it are Mr. Brickdale as a lecturer on one side, and I as correspondent on the other. If you eliminated Mr. Brickdale and me, I do not think you would hear any more about the system.

3225. Still we have the broad fact that even in their own towns, according to the statements which they have made, our leading country solicitors

Mr. *Haldane*—continued.

solicitors do not think of charging the scale?—They are bound to give their clients the benefit of the average rate of charge, whatever that is; they could not charge the scale to one who did not complain, and reduce it to another who did.

3226. That shows that it is something more than competition; that shows that it is what the public think right, does it not?—That is the view you put to me; I do not entirely adopt it. It seems to me that it is entirely competition. I can give you a very analogous instance. The maximum scale for the first-class railway fare throughout the country is 3*d.* a mile. The southern railway companies, where there is no competition, charge it; the northern railway companies, where there is fierce competition, never think of charging it. That is really, I think, a very analogous case.

3227. It is a little different, because there is such a thing as a leading rate in the legal profession. For instance, at the Bar no fee of less than 1*l.* 1*s.* is accepted among practitioners of high standing?—That is so.

3228. No matter what the competition is, we say our scale is so much, and we do not take less; and yet you have the fact that over a large tract of England, according to the evidence that we have had here, the public has insisted on paying less than the authorised scale under the Solicitors Remuneration Act?—Certainly.

3229. Does not that point to this: that it is desirable, if it can be done, that the machinery of the law for the transfer of land should be so simplified that smaller charges than at present are the normal charges should be made?—I have no objection whatever to that being done if it can be done; but I think that the proper way to do it is to perfect your system and prove by experience that you can do it; not to assume that you can do it, and therefore to make it compulsory on that assumption.

3230. That is your point against the whole Bill?—Against Clause 1 of the Bill.

3231. But if it could be done it would be worth while, would it not, to put up with the relatively small inconvenience for a time of investigations of title on transfer of possessory title, in order to get an absolute title on the register and consequent cheap transfer?—Holding the view which I do upon registration, I cannot answer affirmatively.

3232. Because you say that you would not, under any circumstances, have any existing system compulsory?—I never said that; I think I said just the contrary, in answer to one of your former questions. I said that no case had been made out yet to show that this proposed system is not only as good as the present system, but is so superior a system, that landowners ought to be compelled to adopt it whether they like it or not. If you can show me that a system of registration of title has been made flexible and perfect, then I do not think that compulsion would be needed, because the landowners will adopt it as a matter of course; but if it were found, for reasons of public policy, desirable to make it compulsory, of course it could be done.

3233. I will put just two points to you in conclusion. Do you think it is right that a system should continue to exist, if the defect can be obviated, under which the same title has to be investigated over and over again upon each transaction, and under which it is necessary to go, it may be a great distance, to examine deeds, in order to verify the title upon each occasion of a transfer?—I do not accept the assumption; it is not, in practice, done.

3234. I put the case to Mr. Hunter, as I put it to you, of a property which is purchased and the title investigated; the property changes hands, a new set of solicitors come in, and the title is investigated again; then there is a mortgage, perhaps, a few months later, and the title is again investigated; and there may be ten or twenty investigations in half that number of years. Do you think that that is a right system?—No; but I object to the question, because it contains assumptions which I do not admit.

3235. What assumptions?—I do not believe that any solicitor of experience would, in the case you have put, have those repeated investigations of title. If you will allow me to point out one reason why there was really so much scandalous investigation of title before 1881 was, that Parliament, which insists upon limiting the way in which solicitors shall be paid, prescribed that a man should be paid, not in proportion to the work that he did or to the skill and experience that he possessed, but for the amount of copying that he could get his clerks to do; and it was a little too much for human nature to suppose that a man who understood conveyancing would sit down for a couple of days to reduce a draft into proper shape when the only effect would be that he was exposing himself to greater responsibility and reducing proportionately the scale of his remuneration.

3236. Supposing that you were acting for a client in London who bought a property in Newcastle, and the solicitor in Newcastle wrote to you that the title to the property had been investigated on the purchase by the owner a year before, would you accept that statement as conclusive?—If he told me that Mr. Haldane had passed the title, I certainly should.

3237. It is a great compliment?—I should ask to see the opinion.

3238. I am sure it is not a compliment which you would pay to everybody, and, therefore, I take it as the greater compliment. But would you not see the abstract delivered?—If counsel's opinion was to the effect that the requisitions which had been made were fully answered, and that the title was a good one which the purchaser could accept, I should not go behind that, I should ask to see the conveyance. I should write to my client, and say: "This title has been investigated by counsel in whom I have every confidence; if you wish me to re-investigate it I am prepared to do so, but it is an unnecessary expense."

3239. Would you not ask for an abstract?—Probably; but I should do as I have done in most cases lately, ask them if they could send me up an examined abstract; I should not require a new copy.

3240. Would you not have it compared with the deeds?—No, not if it had been compared.

3241. Observe now that the guaranteed title in this case depends entirely on the assurance of a man in Newcastle, whom you may not know, and who may not be an honest man?—

Mr. *Haldane*—continued.

It is not entirely that. I should be relying much more upon the opinion of a conveyancing counsel, who would of course have seen the abstract after it had been examined with the title-deeds.

3242. But you would not have seen the deeds?—No; but there is no possible interest that a solicitor can have in making a statement which is consciously untrue in such a case He may be, if you like, absolutely ignorant of law, but he can properly examine the accuracy of a copy of a deed.

3243. It strikes me that you are making a very formidable statement, because it amounts to this: that the guarantee of this shortened system of titles at the present time is entirely a personal assurance, and often of persons whom you do not know?—Very many things that we do in conveyancing rest on personal assurance; and it is one of the advantages, to my mind, of having a professional class under the control of the court with whom we can safely deal. If I may take the case you put, if you came to me through an agent other than a solicitor, I should probably have nothing to do with it, and should advise my client the same. I certainly should not act upon any assurance he gave me.

3244. There are some 15,000 solicitors in England?—Yes, there are; but one has the means of getting at the history of most of them. I have, perhaps, peculiar means of getting at their history.

3245. It comes to this, does it not: that the cheapness and simplicity of the present system, so far as regards the theoretical standard of perfection which ought to be found, depends entirely on personal knowledge and personal assurance?—Very much; but it does not depend entirely upon that: because the deeds in the case which you are putting would be handed over to me, and I should have an actual copy of the conveyance executed some years ago by a purchaser, and which had since been in his possession, only a year if you like, who had paid money on the faith of it. It is true that I should and do rely in practice upon personal confidence. And that is one of the difficulties in the way of registration, namely, that you eliminate personal confidence, of which I gave an illustration.

3246. And, if you do not rely on personal confidence, you have on each occasion to go through the business of examining deeds which may be at a distance; say in Newcastle, and incurring the expense of comparing the abstract with the deeds, and then having a fresh certification of title, and perhaps going to counsel, making researches on the occasion of every dealing with the property?—Yes, if on any occasion of dealing with property there is reason for suspicion, you are perfectly right in saying that you must make a fresh investigation.

Mr. *W. F. D. Smith.*

3247. You spoke of the fees of the Registry Office in Australia as being low?—They are nominal.

3248. I suppose, then, they do not pay their own way?—I think they do, because they have a large income from the insurance fund. The insurance fund has a large fee in the first

Mr. *W. F. D. Smith*—continued.

instance, but it is never repeated, and they have got a considerable fund, which I expect pays the expenses.

3249. Do they use the insurance fund?—No; they use the interest upon it.

3250. The system in Australia is, of course, working fairly simply and easily now?—I think, so far as I can ascertain, it is working very easily. There are great differences, of course, between the two systems.

3251. Do you know from your experience whether there are any individuals who carry through their own business themselves without going to a solicitor in Australia?—I do not know of my own experience at all, but I should think that it frequently occurs.

3252. Then the Australian Act admits of description by schedule, does it not?—I am not sure that it admits of it by schedule. The words of the Act are "with proper words of description," but whether it is a schedule or simply a statement that the boundaries are the road from such and such a place to such and such a place, I do not know.

3253. But the schedule never contains any condition?—No, I think not.

3254. There were some conditions mentioned, I think, which could not be registered under the proposed Bill?—That is so.

3255. Could those conditions be registered in Australia?—No, I think not; it is one of the difficulties they have that there also they require to have a deed whenever there are conditions. I do not know whether they are under the same law as we are about employing solicitors to prepare every deed, but they must have a solicitor to prepare a deed with conditions which are not upon the register.

3256. Would the solicitor register the conditions?—Only by caution, as you do here. I have the Act here. I was seeing if I could answer your question definitely, but I am not sure if I can find it.

Chairman.

3257. I think you are right; I have been looking through the thing this morning. They work by cautions?—Yes, but these cautions cost 1*s.*, I think.

3258. A nominal fee?—A purely nominal fee.

Mr. *W. F. D. Smith.*

3259. There have been a good deal of fraudulent charges, or the possibility of a good deal of fraudulent charges, mentioned several times; would not the possibility of making such charges be decreased if you insisted upon the attendance of a witness representing the owner of the property?—That was one of the suggestions which I ventured to make to the Committee as an amendment that might properly be made in the Bill, as I think it would be. On that point of forgery I may say that since I was here last I have had a letter from a solicitor practising in Queensland, saying that there was a case of forgery in Sydney only last year, in which six deeds had been forged in connection with the registry, with the connivance of one of the officials of the registry itself.

3260. Is

Mr. *John Ellis.*

3260. Is that a solicitor residing in London, and practising in Australia?—He is over in London only temporarily.

Mr. *W. F. D. Smith.*

3261. I rather gather that your experience of the land registry in England is not favourable? —It is not.

3262. Do you think that the Act of 1875 can be amended so as to be made workable?—I think it could be; but I think the better plan would be to adopt the plan that Lord Halsbury did, namely, to repeal the Act of 1875, and to recast the system.

3263. To start afresh from the beginning?—Yes; if my view is right, there are so many alterations needed to make it a flexible system that it would be very difficult to do it by amendment; and, I think, if you are to make it a workable system you must take the solicitors a little more into your confidence, as to what they would recommend.

3264. You recommend that there should be a period of seven years in which to make the experiment?—If the Committee decide for compulsion at all, I think it should be only for a limited period, and over a limited area.

3265. Supposing that the system proved to be a failure would you suggest that land should be allowed to come off the register again?—I would suggest that in any case except where compulsion actually exists. I am sure you must see the difficulty that solicitors are placed in now in advising a client to take a step that cannot be retraced. If it were possible to take land off the register I believe that a great many would go on who do not now. The land registry would have the greatest inducement to make their system flexible and convenient, so as to prevent people leaving the register, and, in fact, having a general exodus. But how can I, holding the opinion which after personal experience I have formed of the register as expensive and inconvenient, advise a client to put his land on the register when, if he comes to the same conclusion, he cannot take it off again?

Chairman.

3266. I want to ask you some questions, and to ask your assistance in putting clearly what are the points in this controversy; your objection is to compulsion?—That is my sole objection.

3267. But, practically, you approve of registration of title, and you think that a good system is attainable, but that the present system under the Act of 1875 and this Bill do not provide so good a system as might be attained?—That is my view.

3268. I think you consider that the Australian system is a good system?—I think it is in many respects a much better system than ours.

3269. As we know, there are five or six systems in Australia, but their dominant features closely resemble each other?—Yes.

3270. I suppose you will not question at all that the system has worked extremely well in Australia?—So far as I can gather it has worked well in Australia; but what strikes me as a curious fact, if it is so convenient, is that so little land which is not compulsorily upon the register should be put upon it.

Chairman—continued.

3271. I will not enter upon statistical figures with you upon that; I think I should rather demur to that from my knowledge of it?—You have, of course, means of knowledge which I do not possess.

3272. But I will not enter upon that. At all events, the system, in point of fact, does work extremely well in Australia?—Yes.

3273. There was a return as long ago as 1881, you know, by different colonies to the Government; from all the colonies, and also from British Columbia and Fiji?—Yes.

3274. You are sufficiently acquainted with that, without my entering upon it, to know that the system was pronounced to be economical, safe, and thoroughly appreciated by the people in those colonies?—That is so; but might I also say how very little there is of it; because, dealing with that return, I find that less than one-third in New Zealand is under a system of compulsion, less than one-sixth in Tasmania, and less than one-eighth in Victoria; a little over one-ninth in Western Australia; and at a former period in Tasmania, when the system was worked well, and was equally popular, less than one-twelfth. It is evident from that that there could not have been any land brought on that was not compulsorily on.

3275. What date are you speaking of?—The return of 1881. I am giving the summary of it as given by Mr. Brickdale in his book, to which I have referred more than once.

3276. I will not deal with that now; I am trying to deal with other points. Broadly speaking, would you assent to this proposition, with exceptions I agree: that the system in England is defective, mainly in the points in which it differs from the Australian system, or largely in the points in which it differs from the Australian system?—Yes, I think so; it is rather a difficult question to answer.

3277. It is; but I will give you illustrations, to see if you agree; there are some points in which the two systems agree, and some in which they differ, and you have yourself made suggestions for improvements. In the first place, you say that the fees in Australia are nominal?—Yes.

3278. And that they ought to be on the same scale in England?—I do.

3279. You know in Australia, I think, that with nominal fees, there is no loss to the colonial exchequers?—That I understand from the returns to be the case.

3280. I suppose you would consider that if there was a sufficient volume of business in England with nominal fees there would be no loss to the Exchequer here, arguing from the parallel of Australia?—I think probably not, subject to the one question, whether registration does not afford rather greater facility for fraud and forgery.

3281. I will come to that in a moment?—Apart from that one question, I should agree.

3282. Therefore, the point of fees, which is an important point I agree, will be largely controlled by the question of how much business there is? —Yes.

Chairman—continued.

3283. You also, I think, consider that, quite apart from whether the business is diminutive or not, if the system is adopted and made compulsory, the fees still ought to be nominal, although at the charge of the State?—I think *à fortiori* in that case.

3284. That, however, is a question of principle I will not press you upon. There is another point that you made which is this: you say that under the system in England, as proposed to be amended by this Bill, the real owner may find himself ousted of the property by having somebody else appearing as the owner on the register?—Yes.

3285. You gave an illustration of how that might be done by fraud, in the proof which you were kind enough to hand to me, and let me just try to put it to you in my own way, to see if you assent to what I think is a fair statement of the way in which you put it. Take, for example, a case; take the common name of Mr. Jones, John Jones. We will suppose that he is the registered owner?—Yes.

3286. And then, suppose that some rogue will forge his name, and will get the purchase money, and execute a transfer from John Jones by forgery to a purchaser?—No; I assume that the man who commits the fraud or forgery puts himself on the register, and then assigns. There must be an intermediate step.

3287. If you please. He might put somebody else on; but I will take it that he puts himself on the register, and then sells to somebody else?—Yes.

3288. Being on the register, he sells to somebody else, and he has got there by forgery?—Yes.

3289. In that case you assume that the Registry Office, being innocent, of course, of the forgery, put John Jones' name on the register, and then afterwards John Jones, who may have been travelling at the time, comes back, and finds he is ousted?—Yes.

3290. But the buyer, the forger, has become absolute owner by registering?—Yes.

3291. That is the assumption?—Yes.

3292. You have got, of course, to begin with, to find a rogue and forger, and that is not altogether so difficult perhaps; but you have got also to find a registrar who will be taken in?—Yes.

3293. And you have also got to find a judge who, under those circumstances, will say that the compensation is to be payable to John Jones and not to be valuable to the innocent purchaser?—Yes, and the Lord Chancellor did not shrink from that.

3294. I do not want to discuss the Lord Chancellor; I want to keep close to the point. Those are the things that you have got to assume?—Yes.

3295. Can you tell me whether there is any instance in history of that having happened under the Registry in England?—No; it could hardly happen in England, because the system is at present so little known that anybody would be extremely cautious in dealing with it, and there is no opportunity.

3296. At all events there are 7,000,000*l.* or 8,000,000*l.* of property declared value on the registry now?—If you say so, I accept it. I am surprised to hear that there is anything like so much.

Chairman—continued.

3297. It is so. Then in fact such a thing has never happened yet?—No, but I think, I do not in the least want to evade the point that you put; but I think I pointed out that a more common case of fraud would be by charge rather than actual transfer.

3298. You did. In the case of a charge the same thing would have to be done; there would have to be a forger and a deceived registrar, and the decision of a judge that the real owner was not to have his land?—There would have to be a decision that he was to have his land, because the Act suggests that he should not, and it is only under special circumstances that he would.

3299. I do not assent to that view of the Bill; but never mind, you would have to get the decision of a judge; you say that the land would have to go from the true owner to the person who had obtained it innocently from the forger?—Yes.

3300. Such a case, you say, so far as you know, has not happened yet?—Not on this register.

3301. But still it is a thing that might happen, you say?—Yes.

3302. You have yourself suggested, and this is what I want to ask you about, that the law should be so amended that under no circumstances should the true owner be ousted of his property, but that compensation out of the insurance fund should be paid to the person who was deceived?—Yes.

3303. If that amendment were accepted, the case of John Jones being so deprived of his land would be quite impossible, would it not?—Yes; you would make the title guaranteed instead of absolute.

3304. And John Jones would have his own again?—He would.

3305. Under those circumstances, assuming that that amendment is adopted, there is an end of that, if I may be allowed to say so, most proper criticism?—Yes.

3306. The criticism ceases to be valid against the amended proposal?—Yes, it does; and I may say that it brings the system, I think, into conformity with most of the Australian systems.

3307. I will not enter upon that; I do not think so; but still, the suggestion which I have made would be a valid answer to the objection which you have made?—Yes, it would.

3308. Now we come to another point about the same thing. You have also suggested that the land certificate should always be produced to the registrar before the transfer was allowed?—Yes, or any other dealing.

3309. If that was so, it would constitute an additional safeguard, would it not, because it would be equivalent to the production of deeds by the seller under the present system?—It would be a very great additional safeguard.

3310. You also made, as I myself thought, another very valuable suggestion, if I may say

Chairman—continued.

so, namely, that a purchaser under a system of registration should be entitled to call for attestation of the transfer by whomsoever he thought fit?—Yes.

3311. In that case he might, and probably would, require a solicitor to act for him?—Yes.

3312. And in that case that would be a still further additional safeguard?—Yes.

3313. And the consequence of that would be, that if these amendments that you suggest were adopted, the real owner would be absolutely safe on the register?—So far as I can see, the real owner would be absolutely safe when he was once on the register.

3314. And that great evil, or danger, if it be a real danger, at all events a possible danger, would be absolutely averted?—The possible danger from fraud or forgery would be almost absolutely averted.

3315. That is the case so far as the real owner is concerned. Let us come now to the case of the innocent purchaser, because it is desirable of course to protect the innocent purchaser. Under the present system if I innocently purchase from a man who has no title, and I find afterwards that some one comes who has a real title, I must be ejected?—Yes.

3316. And I get no compensation at all?—No, excluding of course the personal right of action; but that is probably not worth much.

3317. But probably the rogue who cheated me would be a man of straw?—Yes, I only did not want to be supposed to have overlooked that.

3318. Your correction was absolutely just. Under the present system supposing that the Act is amended as you suggest, in the first place, if the forger had to produce the land certificate and the innocent purchaser also requires attestation by the vendor's solicitor, he would be very much protected, and it would be very difficult to cheat him, under the circumstances?—I think it would.

3319. Just consider. In the first place, the forger in that case would have to find the land certificate?—Yes.

3320. That is to say, he would have to be in possession of the title deed?—Yes.

3321. In the second place, he would have to have as an accomplice (what I agree is a rare thing) a fraudulent solicitor for the true vendor?—Yes, he would.

3322. Therefore the risk would be very small of a *bonâ fide* purchaser being deceived?—Yes; if you go a little further and resort to the protection which the Act of 1875 contemplated, that all documents should necessarily be attested by a solicitor, you make the chances even less.

3323. In that case, if you added that additional safeguard the chances would be practically *nil*?—I think in that case they would; but that would be reversing the whole policy, since 1889, of the Land Registry.

3324. Under those circumstances in case the amendments that you suggested were adopted the real owner as you told us would be absolutely safe, and the innocent purchaser would be practically safe too?—I think so.

3325. But even supposing that the real purchaser was in some unforseen cases (and you cannot foresee everything) to be deceived, he would then have what he has not under the present system, compensation out of the insurance fund?—I know that point has been always put.

3326. Under those circumstances if we could attain a system under which when you have registered a transaction the real owner is absolutely safe, and the innocent purchaser is practically safe, and even if he is not safe he is to get compensation money, would it not be a great advantage and benefit to everybody concerned?—But, even assuming that, you must not leave out of sight what is one of the real difficulties here; how are you to carry on business if you always have to go to an official? I gave strong instrnces of that from which clients of mine are suffering now; confining myself to your two points, I agree.

3327. Assuming that we could do that, and do it satisfactorily, apart from the official difficulty which you have pointed out, if that could be done by the amendments of the law which you have suggested yourself, would it not be a very great boon to have absolute safety?—I think you have got absolute safety now. You get compensation to the purchaser; that is the only boon that I can see.

3328. You are perfectly right; at present the real owner is safe?—Yes.

3329. But at present the purchaser is not always safe?—No; you give him the benefit of the insurance fund.

3330. You have the advantage that the purchaser would be as safe as he is now, and safer in this sense, that he would get compensation if he were innocently deceived?—Which he can get now; he has to pay for it himself. The Government is not going to guarantee him, but if he comes to the Law Guarantee Society he can get it for a fee.

3331. He might come, and, by contract, make a bargain insuring himself. You can insure yourself against everything I think except your own ultimate demise. But let us leave the question of securing himself by contract outside?—My point was that he was only paying what he pays for now, inasmuch as he can easily get it now if he thinks it necessary.

3332. Upon the question of what he pays for it, the maximum scale is a farthing in the £., yon know?—Yes.

3333. And you know the figures in Australia; that about 400,000*l.* is the total amount of the insurance funds, and about 15,000*l.* is all that has been drawn from them for insurance?—Yes; but they still charge the maximum fee.

3334. But supposing that wise and sensible people were dealing with this matter they might reduce the farthing to something infinitesimal?—They might if you had a Board, or some one, to help the Lord Chancellor to resist the Registrar.

3335. I am afraid you do not think highly of the Lord Chancellor?—I think very highly of him; so highly that, I think, these matters of detail are quite below him.

3336. Let us assume that sensible people are dealing with it, and that they will endeavour to get

Chairman—continued.

get the best advice they can get, including advice, if I may be allowed to say so, from yourself; do you think there would be any difficulty, if the sample of Australia were to be followed, in reducing the insurance fee to much below a farthing in the £.?—I think there would be no difficulty at all.

3337. That would be a satisfactory state of things if you could get it?—Yes.

3338. One question about what you said as regards a possessory title; you made a criticism about it: you said that there is a danger, under the existing system, of fraud by a man getting himself placed upon the register for a possessory title upon his own statutory declaration, without further evidence?—I do not think that increases the danger of fraud greatly, because, to those who understand it, he gets so little by his possesory title; but I think there is a danger that a man having got that certificate, and going to people who did not understand it, might commit fraud.

3339. You told us you thought it desirable that some more investigation should be made before a person was registered for a possessory title?—I think there should be some documentary evidence that the man by himself, or by his tenant, was in occupation. That is what you rely upon in purchasing now.

3340. If that was the case you would not object to the registration system, if that was adopted?—Not at all.

3341. I wanted to ask you about your own case which you mentioned. I think in the multitude of things which you have had to do you may have forgotten something. You gave a case of your own, in which you said that you had a house in Kent, and that in order to test the registry you had got yourself put on the register for the possessory title?—Yes, without producing a document of any kind.

3342. May I ask you (I have made inquiry at the registry office) whether it was not land in Kent, but in Devonshire?—My impression was that I did both; but I am almost sure that I registered, first with a possessory title, and afterwards with an absolute title, my residence in Orpington.

3343. I put it to you only because I am sure you would like yourself to remove any unfair reflection. I think you presented yourself to the registry as not having the deeds with you, but having them elsewhere?—Yes, I had them myself, but I would not produce them. I wanted to see what I could do.

3344. But you gave an undertaking that you would produce the deeds?—If I did I have entirely forgotton it. But I accept that at once if you say that it is so.

3345. I have your letter, giving an undertaking; do you not think that the officials of the registry office would have been very pedantic and wrong if they had not accepted from a gentleman of your well-known position an undertaking to produce the deeds?—I think they ought to have required it to be done. If I gave an undertaking (it has entirely escaped me) I am sure it was for a limited period, and I never have produced a deed.

Chairman—continued.

3346. It is the case, I assure you?—Then, no doubt, it was meant as a matter of courtesy to me, and I withdraw it at once.

3347. You would suggest that some further inquiry should be made as to the fact of occupation?—Yes.

3348. And that would remove your objection?—It would very much remove my objection.

3349. Upon the question of the value of possessory registration, possessory registration is characteristic of the Act of 1875, but does not obtain in Australia, I think?—Not at all, I think. It does in Canada, in one place.

3350. There is one point of difference between the two systems?—Yes.

3351. I want to ask your opinion; do you not think it would be a desirable thing to have registration of possessory title in England?—You could not possibly make anything else compulsory in England.

3352. I am not speaking now of compulsion; I have left that out altogether for the moment; you have told us that in England there are a large number of titles which are what you call safe holding titles, as apart from absolute titles?—Yes.

3353. They are practically good titles, but there may be some little point that prevents their attaining the rigid accuracy required by an absolute title?—Yes.

3354. In the case of safe-holding titles you would not wish to exclude them from the benefit of registration and from the benefit of improving by the lapse of years into a clear and perfect title, would you?—But they will do so under the present system.

3355. But you do not want to exclude them from registration until such time as they have attained that maturity?—I do not know that I should go so far as that. I do not see what they get by registering a possessory title. I understand that if you give me an absolute title you give me something worth having.

3356. Let us see what they get. A registration of a possessory title on the 1st of January, 1895, by A. B., will mean that no inquiry into the transactions of the passing of legal estate in that land will be necessary for any transactions after the 1st of January?—That is so.

3357. Supposing you go forward a period of 20 years, to 1915, if we are all spared to that time; on the 1st of January, 1915, A. B. will have a 20 years' title, commencing with the registered possessory title?—Yes.

3358. Therefore, at that time—perhaps you think 20 years too short?—No, I accept 20 years as a very fair period.

3359. Then you would really get a perfectly good title?—No better than you would have got under a conveyance that you received on the 1st January, 1895.

3360. I am not contrasting the systems, but gauging the advantage of a possessory title. Taking the case of a man who has not got an absolute title, but a safe-holding title, at the end of 20 years you might dispense with any further inquiry into his title?—You certainly would in either case.

3361. But

Chairman—continued.

3361. But you do not, then, object to the registration of a possessory title, although it is different from the case in Australia?—I neither object nor approve. As long as it is voluntary, and a man thinks he will get an advantage, let him do it; but I cannot see what good it gives him.

3362. Do you not think it is a good thing, if you register a possessory title in January, 1895, that after 20 years' time you will have nothing to look to except the register?—Nor would you if you produced the conveyance in fee simple. I, or any other solicitor, would not hesitate to accept that.

3363. I understand that you would accept it; but you would require to see the transactions during the last 20 years by the deeds, would you not?—If there had been any.

3364. But in the case of the registration of a possessory title after the lapse of 20 years, you would not want to see anything beyond what is on the register?—I do not see how you can work that. How are you to know who began the possessory title? As I understand it, you will tell me in 1915 "this Black-acre belongs to C.D., owning with possessory title," but there is nothing to show that the man Smith who registered it ever sold it to him.

3365. You mean that you are not entitled to the power of discovery of the earlier transactions?—Exactly.

3366. Assuming that there had been transactions between the registration of the possessory title and your proposed purchase at the end of the 20 years?—Yes, it has no chain.

3367. But after a lapse of 20 years (or indeed in much less time, say 10 years), with a safe holding title, would it not be easy for the owner of the possessory title to get himself registered as absolute owner?—You do not propose to do that by this Bill. Lord Halsbury did.

3368. I am not sure that I assent to that, but never mind. At all events, you think that ought to be done?—I think there would be conveniences in doing that. Lord Halsbury's plan was a little crude, but he altered it. I think it might be made useful.

3369. The policy you suggest by that alteration is that when a man has been registered as owner with a possessory title, after a lapse of time he may then apply for a good title; to be registered as absolute owner?—I think he ought to have that right.

3370 In that case you think a possessory title would be a useful thing to start with?—You will think me very pertinacious, but I am afraid I must go back to the other answer, that I do not see what good he gets by it. He could come back in 10 years' time with the old conveyance, and say, "I want an absolute title." A possessory title does not give a man enough to justify the charge of a fee for getting what he has already got. He has got his deeds.

3371. Does not that depend upon the amount of the fee?—No, it is the amount of trouble and difficulty. I do not see that there would be sufficient advantage to him to justify it. I am very anxious to meet your questions fairly, and I

Chairman—continued.

do not want to keep on repeating my own objections to it.

3372. I quite understand. I am asking you what I thought I understood Mr. Wolstenholme to say (I am speaking merely from memory), namely, that it would be valuable to have a possessory title registered which should fructify into an absolute title?—If I may be allowed to say so, I think your question a little misled Mr. Wolstenholme.

3373. You must think me a very cunning person if you suppose that I am capable of misleading so intelligent a witness as Mr. Wolstenholme?—I think Mr. Wolstenholme scarcely saw what he was fully committed to. Your question was, "Assuming the whole of England to be under a possessory title, and if, in 20 years, the whole of England had an absolute title, would not that be an advantage?" to which he replied "Yes," as everybody must.

3374. At all events, we must judge of ourselves, not what Mr. Wolstenholme said and did, or whether I was putting a very accurate question. But you yourself do not see any harm in a possessory title?—I see no harm in it, and I see no good either.

3375. Then you do not agree in the view that if you could do it for a nominal fee, being registered to the owner of a possessory title, no purchaser afterwards would be bound to inquire into anything except what took place prior to the possessory title being registered. You think that that is no advantage?—I think it is an advantage which they would possess now. I may be dense in not seeing it, but a man who has got a conveyance in fee simple himself, prepared by solicitor and counsel, has all those advantages now.

3376. Perhaps I was asking in a manner which led to a comparison with the present system; but I will ask you about that later. Let us go to the question of mistake. One of the points you made upon the matter of mistake was that you thought there might be a mistake about boundaries?—Yes.

3377. You suggest, as Mr. Wolstenholme did, that in conformity with the Australian Acts there should be something more than a mere plan; that there should be description?—Yes.

3378. If that was done it would put an end to that difficulty?—If that was done it would put an end to that difficulty.

3379. Completely?—If the abuttals may be described by reference to a road or land adjoining.

3380. That would put it on exactly the same basis as all kinds of boundaries are now upon under the present system of conveyancing?—Quite.

3381. You put another case also; I do not want to go into the details of it; the honourable Member for Worcestershire asked you about it. It was a case in which there was in the registry office a wrong piece of land entered as having been sold to a person?—Yes, the Caterham case.

3382. The honourable gentleman has put it

 already

Chairman—continued.

already to you that in that case there had been no cautions on the part of different people?—Yes.

3383. Which there might have been?—Which there might have been.

3384. In that case also, had there been abuttals, would it have been possible that the mistake should have occurred?—I think not.

3385. And in that case, I think (I will not pursue it further) you say that that would have remedied it?—Yes, the abuttals would have shown that there was still land belonging to the original possessor, and therefore they could not have given that land in that conveyance.

3386. That is the only instance of mistake that you have suggested as having occurred?—Yes.

3387. As a matter of fact, do you know whether any person has been entered by mistake in the Registry Office since the Acts were first introduced, under either Act?—I do not. But Mr. Brickdale gave an example of one that he only just stopped in time.

3388. There are a very large number of transactions, and I only ask you whether any person has yet been injured in that respect?—Not to my knowledge.

3389. Even supposing that there are mistakes in the Land Registry, as we must suppose there will be in all human affairs, the owner will get compensation?—I suppose he would in most cases; it depends upon his position. If the land taken was land belonging to a man registered with a possessory title only, and he was still on register as the first registered owner with that title, he would not be entitled to compensation.

3390. That is a point of construction as to what the Bill means?—Yes.

3391. You think that according to the Schedule of the Bill it does not apply to the first possessory owner?—It seems to me clearly to be so.

3392. You would desire, I suppose, that the first person who registered a possessory title should not be guaranteed as to the validity of his title, but should be guaranteed against suffering from a mistake of the registrar?—Yes.

3393. That is your point?—Yes.

3394. But if that was so it would require an effort of ingenuity to see how a mistake without compensation could arise to anybody?—If you put that in.

3395. Therefore, if you put that in, and require him to pay a fee in consequence, we should find this also, should we not, that the man was guaranteed from loss by mistake as well as from loss by fraud, if the registration system was a good one?—Yes, that would be so.

3396. There was another point that you put. You said that the system of registration by title, by which I understand an amended system, according to your suggestions, would not be suitable to all cases of transfer?—Yes.

3397. You said that there were some cases (you will correct me if you do not think I am putting a fair summary of what you put); you said that there would still be some cases in which there would be a double title, as you call it?—Yes.

3398. That is to say, that the register would show the transfers of legal estates, but that there might be equitable estates outstanding which would have to be controlled by deeds as supplemental to the register?—Yes.

Chairman—continued.

3399. Here, again, I do not want to rely unduly upon Mr. Wolstenholme's authority; but did he not tell us that that was just exactly what he wanted to have done even in the conveyancing system as it is at present?—I do not know; I was not so much commenting upon the difficulty of a double set of titles which to some extent, but to a limited extent, you have now; because you always take care that trustees or tenants for life who sell are by settlement entitled to give a good receipt, which discharges any claims by equitable claimants. But if you are going to put a title on the register by an official system, the only justification, it seems to me, is that you are going to take the whole conveyancing arrangements into official hands, and relieve the owners from that difficulty. If you fail in doing that to that extent, it seems to me you fail in the system of registration of title.

3400. That seems to me a very important point, and we will try, if you please, to make it clear to the lay mind, which is not a very easy thing to do in these matters. In the first place as to the difference between a legal and an equitable estate; of course the person who is the legal owner is the man who owns the land, in the eye of the law?—Clearly.

3401. Besides that he may be a trustee?—Yes.

3402. But he has still a perfectly good title which he can give to another person unless the other person knows he is a trustee?—Yes.

3403. An equitable title is a title that will be enforced by the courts of equity and over-ride the legal title?—Yes.

3404. It would be dependent upon notice being given to an innocent purchaser of the legal estate, without notice that there is no other incumbrance, and then equity will be protected even by the courts of equity?—Yes.

3405. The most common case is the case of trustees. I am the registered legal owner, say, of a legal estate, and I am trustee for somebody else. At present there is no registration except under this Act?—Yes.

3406. In ordinary conveyancing any trustee selling that estate would honestly disclose the whole of his position, and the deeds would show his trust, and he would show any sort of incumbrances in equity, equitable mortgages, or anything else which might affect the estate?—I do not think he would. He would either be a trustee, appearing on the document as the beneficial owner being really trustee, in which case there would be nothing to disclose; or he would be a trustee with powers defined by settlement or other document, which would, certainly, if properly drawn, still bind the estate for all purposes.

3407. Then in that case at present under the present system of conveyancing, the man who has the legal estate, when he sells will not disclose all the equities affecting that estate, but will simply sell to the purchaser upon the legal estate?—Yes.

3408. That is so now under the present system of conveyancing?—Yes.

3409. Why

Chairman—continued.

3409. Why should it not be convenient, acting as Mr. Wolstenholme, I think, suggested, that the legal estate alone should appear on the register if the legal estate alone is what they sanction for sale at the present time?—That is where I ventured to criticise your question. I think that Mr. Wolstenholme's idea was that each deed should convey the legal estate, and that equities should be protected by the register; I think that was his view. His view was that under the present system if you protect a purchaser for value against equities, in accordance with a scheme which he prepared in 1862, and has since revised, and Mr. Hunter, our president, has elaborated, then you can get a perfectly good chain of legal rights or estates depending upon the deeds themselves without the intervention of the registrar at all.

3410. I quite agree with that. If I understand your answer just now I perfectly agree; but what I thought Mr. Wolstenholme said was, that in all conveyancing it was desirable if you could, to deal with a string of legal titles and not allow the equities to interfere?—That is our first lesson.

3411. And if that is good, I think he told us also that, while not accepting registration of title, if you had registration of title he was of opinion that it ought to be registration of a string of legal estates, and not encumbered by the claims, except by way of caution, of equities?—Certainly.

3412. You have told us that registration would be unsuitable to some cases; but for the purpose of showing the legal estate registration would be equally easy in all cases, would it not?—Registration must always show you the legal estate.

3413. And it would be equally easy in all cases?—Yes. I did not quite say that. I used the expression "unsuitable to some transfers," and I used the expression "unsuitable to some estates and unsuitable in some dealings." I have never doubted the fact that by the register as framed by the Bill, you can deduce a legal title, a strictly legal title, showing the legal estate. In other words what you show by the register is not who is the true owner of Blackacre, but who has the power to dispose validly of Blackacre.

3414. That was the policy of the Settled Land Act of Lord Cairns?—Yes.

3415. That there should be in every settled estate a man who could sell every acre of it except the mansion house, and give a good title for it?—Yes.

3416. Is not that the proper policy of any registration of title?—Certainly.

3417. That it should simply disclose the legal estate, and show to a purchaser: "There is the man, and there is the acre, and that man can sell that acre"?—I have never quarrelled with the principle of registration to that extent; but what I have ventured to put before the Committee is that the system is not one which you ought to force people to take against their will. That is the position I have occupied throughout the last five or six years.

3418. That is the first question I put to you. I am not putting the questions upon compulsion at all. I am coming to compulsion in a minute.

Chairman—continued.

I want to deal with the question of registration of title?—Certainly.

Mr. *W. F. D. Smith.*

3419. To make it clear to the lay mind, the equities would all appear by way of caution on the register, would they?—They should do so. As I understand the principle of the Bill, it is that the registered proprietor can convey the land absolutely free from all claims that are not either disclosed upon or protected by cautions upon the register itself.

3420. Those cautions will refer to a deed containing the equities?—No, I think the form is that no transfer or other dealings shall take place without notice to A. B.; and when A. B. receives notice, the registrar would say, "Your caution has been warned; what title have you got?" and then A. B. would produce the deeds.

3421. The registrar would produce the deeds?—The claimant would. The claimant would have notice, and then produce his deeds, or other grounds of caution, to the registrar.

3422. And the purchaser's solicitor would examine the deeds containing the equities?—The principle is that the purchaser should do nothing of the kind. He says to the vendor, the man on the register, "You clear your title, and when you have cleared your title I will take the estate."

Mr. *Bolton.*

3423. Would it not work in this way: that the registrar would simply give notice to the cautioner?—Yes.

3424. And unless the cautioner took proceedings in a court of law to assert rights that he might have to restrain the registrar from dealing with the land, the registrar would, after a time, deal with it without reference to the caution?—Yes.

3425. The registrar would not deal with the matter in any way judicially: he would only give notice to the cautioner to take proceedings in some court of law to assert his rights?—No; I think he would be entitled to come to the registrar and say, "This is my right; I am the mortgagee," or, "the person having the right to control;" and that is the only dealing with the caution. It is only fair to the system to say that there is another mode of doing it, by restriction, more stringent than by caution.

Mr. *Haldane.*

3426. The registrar will not give a perfect title to the purchaser unless he has the consent?—No. In other words, what is now thrown upon the purchaser is by this Bill thrown upon the vendor.

Mr. *Bolton.*

3427. If the cautioner had the right to object to property on the register being dealt with by the Registrar, and the Registrar had power to stop dealing with the register of his own authority, that would raise very serious difficulties in the way of having an absent owner capable of always dealing with the property, would it not?—Yes, of course he would be restrained to that extent.

Chairman.

3428. Let me see if I can meet the question of the

Chairman—continued.

the honourable Member for the Strand division, so far as the facts are concerned. Take the case of myself being an owner of land registered as absolute owner upon the register, and at the same time having various trusts for the benefit of other persons, subject to which I am the legal owner. Supposing that I want to sell to A. B. that land; A. B. will come and look at the register, and A. B. will see upon the register certain cautions which have been placed there on behalf of people for whose benefit I hold that land. Is that so under the present system?—Yes.

3429. And under your proposed system?—Yes.

3430. Then he will say to the Registrar: "What do you say about these cautions"? and the Registrar's duty will be to send notice of my intending to sell to all the persons who have put cautions upon the register?—Yes

3431. Is it not the fact that if any of them object to that transaction they can at once restrain me, in 24 hours, by going to a Judge in Chambers, from dealing with the land?—Yes; subject of course to the claimant not getting the notice, but that is not a great risk.

3432. They would put the notice on the register?—Yes.

3433. And every sensible man would put a notice on in the same way as he would put a distringas upon stock?—Under this system they would be obliged to do so. But you introduce a system not now in force; because in nine cases out of 10, unless it is a money transaction, the parties never distringas stock as it costs a great deal of money and inconvenience.

3434. You are quite right; they do not distringas stock as a rule, and perhaps it is a great pity they do not do it more often than they do; but do not let us deal with that for the moment; anybody who had an equitable title would be at liberty to place a notice on the register?—Yes.

3435. And if he placed a notice on the register he would have an opportuuity of intercepting any fraudulent dealing, as between him and the registered owner, with the land by the registered owner?—Yes.

3436. And, practically, that is the system in Australia?—Yes.

3437. And that system in Australia has worked extremely well, has it not?—So far as I know; I have never been there.

3438. It would soon come to be known that you are bound to give notice on the registry of any equities you have against the legal owner?—It would, just as now it is known that you ought to have a distringas on stocks, which is not done. But I accept your view that it ought to be done.

3439. You cannot under any system prevent the possibility of people neglecting every reasonable precaution which they ought to take. If they have got legal interests, and if they can for the nominal fee of 1*s.*, or for nothing at all if you like, give a notice that they are the owners of the equities on the register, surely that ought to be sufficient, ought it not?—The difficulty is that you put to me a case which is very unlikely to occur, unless I am to understand that you, or some one equally desirous of making the system a flexible one, is going to have the control of the

Chairman—continued.

land registry. At present the land registry, so far from charging nominal fees, have increased their fees by 24 times, apparently for no reason whatever.

3440. I know that they have increased their fees, but I am not now dealing with fees; I am dealing with the point of security?—But you interposed the question of fees, and I could not resist the obvious comment.

3441. I quite agree with you that it ought to be a nominal fee?—No doubt.

3442. Let us proceed to cases in which you said it would be unsuitable for certain transactions and for certain estates. You do not accept the words "unsuitable for all cases of transfer," but "unsuitable for certain estates and certain transactions?—Yes.

3443. You gave us an illustration, I think, of a transaction where there were debentures issued upon the security of some hundreds of pounds worth of property?—Yes.

3444. And you said that that transaction could not appear on the register?—No, it could not.

3445. The trust deed could not appear on the register; that is clear?—Yes.

3446. But the vesting of the legal estate in whomsoever was to hold it would appear on the register in each of those cases, would it not?—But you would require 242 transfers in that case, instead of one, as it would be under the present system.

3447. That is to say, each property must have an entry in the register by itself?—Yes.

3448. If you liked to amalgamate them, or if it would be easy, you might apply to amalgamate them if they were contiguous?—But you could not. These are publichouses all over England.

3449. Then, it would be very undesirable to amalgamate them?—You could not on the register, but you could on the trust deed.

3450. That is in equity, is it not?—No; it is a legal conveyance of the whole of the properties by schedule.

3451. The legal estate is vested in trustees?—Yes.

3452. And the trustees are bound to exercise those trusts according to the terms of the deed of trust?—Yes.

3453. That obligation is an equitable obligation?—The obligation is equitable,

3454. Therefore, that is a case of equity outside the legal estate?—It is a case of legal mortgagees with persons entitled in equity to the benefit of the charge when the mortgagees enforce it.

3455. Nobody wants, in any system of registration (at least, I do not think you do), that every transaction connected with the land should appear *in extenso* upon the register. All you want is, if there is to be a register, that the title should appear on the register; the legal title, and that alone?—My point was that instead of having two paragraphs, conveying all the 242 properties, I should require to have 242 transfers, with corresponding stamps and expense.

3456. We will come to the question of expense afterwards?—I should have said 242 transfers to get executed instead of one.

3457. Two hundred and forty-two transfers to get

Chairman—continued.

get executed on the register?—In order to put the properties on the register.

3458. Instead of enumerating them on one piece of parchment and having the signature once?—Yes.

3459. In point of fact, when you sell 240 pieces of land you require to have description of each of those pieces of land in your title?—Yes; they are very short descriptions.

3460. But an equally short description would answer for the transfer?—Yes.

3461. Therefore, really it comes to nothing more than this: that instead of having one printed form, such as in the land registry, you would transfer and fill up each printed form instead of filling up a corresponding portion in one conveyance?—Sometimes it would go further than that; it occurs to me at once that I may have to send those 242 transfers into each of the 52 counties. I do not know what number of registries you are going to have. If you are going to have a registry in London only, I agree that it is a matter of filling up 242 transfers and handing them to one office; but if you are going to have, as I think you must have, local registries, then it would mean sending someone down with these different deeds, or sending them by post, to the different local registries.

3462. It would involve undoubtedly sending them to wherever the registry might be?—Yes.

3463. There was another point in connetion with that which I should like to put to you. You said that there were some cases in which personal covenants, not running with the land, were not entered upon the register?—That is so.

3464. That is a matter, I think, which may fairly be considered as open for discussion. Do you think it would be advisable that personal covenants which were not of such a character as to run with the land should be admissible by notices on the register?—I cannot see why they should not be. They would not run with the land any the more. There are the covenants, and we have to take steps to enforce them. It only means now that we must put them on the register by different machinery.

3465. That is an instance of what you call want of flexibility in the Act?—Yes.

3466. And you think it might be advisable to allow personal covenants still to appear on the register?—Yes; you should give the owner an opportunity of putting everything on the register which he can put on now, apart from equitable interests.

3467. It would meet your point if that could be done?—Yes.

3468. And so as regards covenants against consolidation of mortgages?—Yes. I cannot understand why that was struck out.

3469. It seems to me that it must be an advantage for them to be put on the register?—Yes, it ought to be.

3470. And that would meet that point?—Yes.

3471. Indeed, in those particulars you think the system might be made more flexible?—Yes, it must be made more flexible if you are going to make it work.

3472. You said you thought the Statute of Limitations ought to apply?—Yes.

Chairman—continued.

3473. It does not apply by virtue of the 81st section of the Act of 1875?—No.

3474. And it does apply in Australia?—Yes, it does apply in Australia, except in New South Wales.

3475. Do you know whether any difficulty has arisen in Australia by reason of its not applying?—Not that I am aware of. This book, which is the standard book on the object, gives no note to that effect against that section.

3476. That is the amendment you would suggest?—Yes.

3477. Upon the question of delay, you have given us illustrations; I am sure you will not expect me to go into them all?—No.

3478. But delay is a matter of administration, is it not?—Yes.

3479. You have no faith, I am afraid, in officialism; you do not think it likely that delay can be escaped by any amount of officialism?—Officials, however desirous to do their work, are not under the same keen pressure that we and other professional men are; it is a matter of indifference to them whether they please their clients or not. And the blame will fall on the solicitor, certainly, if there is a solicitor employed; the clients will say, "You must be to blame," if there is any long delay. An official has not the same spur, even if he is an energetic man, and certainly, nobody could be more energetic than our present registrar.

3480. That is, however, a matter of personal conjecture; you may be right, or I may be right if I take a different view; but, at all events, if he had a well-conducted staff, and an adequately-manned department, that would be met?—Yes.

3481. You said just now, something about the register being dealt with by local centres; I should like to have briefly your opinion upon that; do you think it would be desirable, as Sir Robert Torrens, I fancy, did, to have one central metropolitan registration office, or do you think it ought to be extended into the localities, in each county, for example?—It is rather an awkward question for me. Some of my professional brethren in the country could answer it better. I, as a London solicitor, should, of course, obviously prefer a metropolitan centre, but I think it would be found inconvenient, and certainly it would cause dissatisfaction if every solicitor acting in Newcastle, say, had to come to London, or send to London by post, to complete; and he must come for search.

3482. You know the old system under copyholders. In every manor there was a court of itself?—Yes.

3483. Where titles were, in fact, registered?—Yes, the legal estate was, in fact, registered.

3484. All of which has been overthrown by the wisdom of reforming Parliaments during the last 50 years?—That is only voluntary; it is not compulsory.

3485. Do you think it would be possible (and this I am merely putting for my own information), if you had a system of registration of title to have it even more local than in counties; to have it, for example in unions?—I think you must have a registry office for very small districts. Probably you would find it desirable to have also a metropolitan centre (something like

Chairman—continued.

you have for the registration of births and deaths, while you have a local registry centralised for the convenience of search. But the original registers must be in very small areas.

3486. But, for example, in a county, at all events, you think there ought to be one registry office for each county?—Yes, certainly, and I think you must go further than that.

3487. You would decentralise upon this matter rather?—Yes, I should do so; but then that would accentuate the suggestion which I ventured to make, that you must have some strong central control, which I think must be something like a board.

3488. A board in London, with local registries?—Yes.

3489. That is an ideal?—Yes; that was Lord Halsbury's idea, and to that extent I think his Bill was well framed.

3490. I will come to another matter, please, in regard to borrowing on deeds?—You are not going to quite leave out of sight the flexibility question? There are one or two points with regard to that.

3491. Will you be kind enough to put them at once?—It seems to me that one conclusive reason against making the register compulsory is that there are many things which it cannot do. I have produced two instances. I gave an instance of a deed executed in Australia.

3492. Would it be convenient, as I am going to ask your reasons against compulsion, to postpone this until then?—Certainly.

3493. I will not forget it. As regards borrowing on deeds under the present system, by Section 14 of this Bill it is proposed to have a special certificate called the deposit certificate, which should be in effect a substitute for the deeds, without which there would be no transaction entered into with the land after the deposit certificate had been issued, until that deposit certificate was brought in and accounted for. Do you not think that that would be a satisfactory substitute for the equitable deposit on deeds?—In the first place I cannot conceive why you want the second certificate; but putting that aside I do not quite understand how you can get on without a search. Each register deals only with the legal title, and there may be an outstanding equitable title. It is true that this deposit certificate is to be a bar to all dealings by the registered proprietor with the land; but the banker who relied upon that without a search might find that some equitable owner had put a caution on which would override this deposit certificate.

3494. You mean a caution put by some equitable owner?—Yes.

3495. Under the present system such equitable owner would have possession of the deeds themselves?—No, the deeds would go with the legal owner, as a rule.

3496. Then that difficulty exists at present?—But you have a chain of titles which shows you what the equitable interests are, and what are the chances of any adverse claim.

3497. You mean that the deeds would have to be examined before the bankers lent upon them?—A banker will probably tell you (I believe you are going to call some bankers here)

Chairman—continued.

that he turns them over, and he finds "I know who these people are; there is nobody who is likely to come and bother about that settlement;" and he lends on the faith of that.

3498. He would have to turn over the deeds at present under the existing system?—Yes.

3499. If I rightly understand you, you think that even if there was a deposit certificate he would have to go to the registry and see if there were any cautions which would interfere with his lending the money?—Yes, he would.

3500. Assuming he had to do that, do you think it would be more difficult work than having to look through the deeds and see if there were any equities to interfere?—He does not open them; he looks at the backs and sees how they go.

3501. Then he runs a risk if he lends on those terms?—He runs a certain risk. I have those sent up to me every day from the bank for which I act. The deeds show conveyances Jones to Smith, Smith to Richardson, Richardson to Huggins, and Huggins borrows the money.

3502. He lends it rather upon the faith of those bringing the deeds?—Yes.

3503. Would he not lend with equal security on the faith of the person who brought the deposit certificate?—I doubt it very much.

3504. I cannot understand why. Assuming a man has deeds they are the evidence of title on one side, and assuming he has a deposit certificate on the other side (we will assume it to be parchment, if that has any virtue) and you lend on the credit of the man who brings the deeds, why can you not lend on the credit of the man who brings the deposit certificate?—Because you know that without the deeds he cannot make a title by any possibility. A purchaser would be deemed by the court, if he bought without the deeds, to be culpably negligent; the banker would know the customer could not sell without producing the deeds, but he may sell without producing the certificate.

3505. Not under the present Bill?—That all depends upon what "dealing" means.

3506. I do not want to discuss the particulars of the Bill, but let me assume that the same doctrine might be made applicable, by virtue of the clause, to the deposit certificate as is applicable to the deposit of deeds. Then, surely, the distinction on that point vanishes?—If you make the deposit certificate equivalent under Section 81 of the Act of 1875 to the deeds.

3507. I do not want to dwell upon those minor matters?—Still there is the difficulty of getting no chain. The banker when he comes here will, I think, tell you that he looks to the general chain as to what the dealings with the property have been, and, to use an expression which was used by a banker to me not long ago, it gives him a sort of rough idea of what the value of the property is.

3508. Do you not think that what is better than a rough idea, namely, a most precise and explicit idea, will be conveyed by an examination, which will take two minutes, of the register if it was examined?—That will show you no value. In your deeds which you get now you find Jones bought for 3,000*l.* in 1869, and

Chairman—continued.

and Huggins bought a few years later and gave 3,500*l*, and that the man who bought two or three years ago gave 4,000*l*.; and that is a great guide to a banker in lending; he has a chain of values there that he can act upon with a fair chance of being safe. Your deposit certificate shows no value at all, and no chain.

3509. Upon that point about the values, you say that there is nothing upon the register which would show the value of the land?—I say there is nothing on the certificate.

3510. But if you look at the register you will see the price at which he purchased?—With great submission, I do not think you would.

3511. I am only speaking from my memory of the document?—If that is so, looking at the registry, a search in other words would give you the information. I am inclined to doubt whether it is so. But a certificate would certainly not do so.

3512. That is a matter which might be put right by amendment?—Yes, if you keep on altering the system till you make it perfect.

3513. That is what we want to do; we want to have as perfect a system as we can, and these are details in which you have been assisting us. That is the suggestion that you make for that purpose?—Yes.

3514. I do not want to dwell unduly upon the question of borrowing, because it is a minor point, and will have to be dealt with by the bankers; but I want to ask you one question about Sir Robert Torrens. You quoted Sir Robert Torrens as not having registered his title in England?—Yes.

3515. That is true no doubt from your statement?—He stated it himself.

3516. But he was a strong advocate, was he not, of registration; I have the latest edition of a little book, written by him, I think, in 1881 or 1882, and certainly after 1882; he was strongly in favour of registration; he was the parent of the system?—He was.

3517. Was not his objection that the system in England was not assimilated to the system in Australia?—Yes, that was it very much; chiefly on the question of boundaries and absolute title.

3518. Then he, in fact, does not altogether agree with you although he agrees in many of the points of criticism that you have made, because he wanted to assimilate the English system to the Australian?—No doubt.

3519. And he thought the English system so defective in comparison with the Australian that as you say (whether that was his reason or not), he did not register his own land for that reason?—I quoted Sir Robert Torrens because in the evidence given by the Lord Chancellor here and in speeches that have been made Parliament has been led to suppose that this system was entirely the system of Australia; and the experience in Australia has been relied upon in support of this system; whereas the two systems are wholly different, so different that Sir Robert Torrens, who fathered the one refused to have anything to do with the other.

3520. I will not enter upon the differences between the two systems; there are some?—Very marked.

3521. But I have been trying to put to you the main ones, and I have done so, have I not?—Yes.

3522. If these amendments which you have been referring to were introduced into the Bill and it was a voluntary Bill, you think that it would then be safe as you have told us both for sellers and buyers?—Yes, I have never felt any doubt that you might make a system which, if voluntary and therefore left with the advantage of competition so as to be kept flexible and convenient, might be useful for many purposes.

3523. You say that in that case the transactions under it would be safe?—Yes, with those alterations, no doubt.

3524. And economical too if the fees were cut down?—Yes, if you cut your fees down it would be economical.

3525. Would it not, in addition to being safe and economical, have certain advantages over the present system. In the first place you have told us that it would be safe. Can you say that the present system of conveyancing is absolutely safe?—You put in the word "absolutely" in the one case and not in the other.

3526. I put it in both?—It was perfectly true, as you have told us, that it is absolutely safe under the proposed system?——

3527. That is to say, with your amendments?—Yes.

3528. Would you say that the present system is absolutely safe?—I should say so, and I have given my reason for thinking so. I have now been for more than 30 years in practice, and I have only known one instance of attempted fraud or forgery occurring within my own knowledge, and that was not to land (to use an Irishism), but to stock.

3529. Your firm deal with very large transactions mainly, and you deal with people who are reliable people; but surely you will not dispute what I say, that there have been numerous frauds in regard to transfer, mortgaging, and charging of land?—There have been numerous frauds with regard to the transfer of land and mortgages; but I venture to say not approaching one-tenth of the number that have taken place with regard to stocks and shares.

3530. That is possible, but I am not dealing with that?—I mean (and I at once concede it) that you can frame no conceivable system that some fraudulent ingenious man will not find his way round.

3531. I have asked you already about your proposed amendments to the Bill. If it was amended, and if it was voluntary, you said that you thought it would be absolutely safe?—I did.

3532. I did not mean to leave out the word "absolutely," but now I am asking about the existing system. Surely you will not dispute that there has been a great deal of fraud in mortgaging a transfer, and charging of land by forgery?—Of course, those cases are very much known, and talked about; and I can remember three or four cases; there may be many more; I do not say there are not.

3533. Are there not many cases of this kind; and allow me to preface what I am going to say by saying that I have reason, from experience of my own, to know how vigilant the Incorporated

Chairman—continued.

Law Society is in dealing with all these cases; but is it not the case that not very often, but not infrequently, upon the death of solicitors who are the black sheep in their profession, it is found that they have dealt in improper ways with land?—Yes, those cases occasionally happen.

3534. And those cases would not come before the disciplinary committee of the Incorporated Law Society?—Not if the men are dead.

3535. And is it not the case that a great loss has occurred to other persons through forgery?—They are not very numerous, but there are a number of cases, because they come before the Courts.

3536. I have put to you that that would be one advantage which the proposed system, if it were amended, and if it were voluntary, would have over the existing system. Is there not another advantage, namely, that in simple cases of transfer of land (I am now presuming that the system is amended) there would be no necessity, if that is an advantage, for the employment of a solicitor at all?—That depends upon how far you carry your amendments. If you are going to say that succession duty shall not be a first charge, and to incorporate all the other amendments, then a man with nothing else to do might carry out his own conveyance. But so far as I know he could do that now.

3537. Is it not the case that in some of the Australian Colonies solicitors are still employed in most of the cases?—That is so.

3538. But in some of the Australian Colonies is it not the case; I am now speaking from the Returns of 1881 (I cannot say at present how it is later), no solicitors are employed in the majority of cases?—If that is the return I quite accept it. I think it is probable.

3539. I must submit it to the Committee afterwards; but you will take it from me that it is so?—No doubt it is so.

3540. Do you know what Sir Robert Torrens said about that. That is the view that he took, is it not?—Yes.

3541. I cannot expect you to assent to the view that it would be an advantage, but there might be a diminution of expense in that way, might there not, especially if the fees were nominal?—If it is an advantage to the public, I should not suggest for a moment that I have a right to interfere, because I am a solicitor. I have put my reasons why I do not think it would be an advantage to the public.

3542. In cases where there were cautions, or leases appearing on the register, you might, and probably would, need a solicitor's assistance?—Yes.

3543. But assuming that you did, would not his work be very much less than it is now?—Certainly on an absolute title.

3544. In the first place, he would not have to hunt for the legal estate?—I am afraid you think more seriously of the hunt for the legal estate than I do.

3545. I assure you that I think it is rather a formidable undertaking at times. At all events, he would not have that to do?—But I do not think that Mr. Haldane would tell you that he ever had any difficulty in that matter on any occasion.

Chairman—continued.

3546. Then again the solicitor would not have to search for equitable charges or mortgages that did not appear on the register?—No.

3547. He would not have to ascertain the genuineness of the deeds?—No.

3548. He would not have to find out whether any deeds had been concealed?—He would, just as much as he would now.

3549. No?—If there were an absolute title he would not.

3550. That being the case, there would be much less for the solicitor to do; and under the system of competition the solicitor would charge much less?—If you take off the solicitor's responsibility you would be quite entitled to reduce his remuneration.

3551. Then, in that case, it would be a cheaper transaction?—You put so many things that in practice really do not arise.

3552. I will take your answer, and must ask others about that. Those are all possible things, are they not?—Yes.

3553. And in law I am afraid I can only deal with the possibilities?—Certainly.

3554. In the next place, in addition to the advantages which I have dealt with, would you not have this advantage: that you would have a State guarantee to the purchaser on every absolute title on the register?—For which the purchaser has to pay.

3555. That is perfectly true, but you would have a State guarantee to absolute title?—Yes.

3556. Wait a moment and see how that works out; I do not know what the proportion is of absolute titles to possessory titles on the existing register, but I think it is four to one; I have a note to that effect somewhere; if it is wrong I will correct it?—I should think it would be so, because an absolute title is worth having.

3557. You would have a qualified guarantee of title upon the purchase of possessory estates?—Yes, a guarantee from registration.

3558. And is it not the case that in 20 years' time you would have an absolute State guarantee to every purchase of a registered title upon every estate that had been registered for more than 20 years?—That would practically be so.

3559. And we know how little you have to pay for that; we may take from Australia, I suppose, how much you would have to pay; a farthing is the maximum, and a farthing in the £. would be 100 farthings for 100*l.*?—Certainly.

3560. That is 2*s.* 1*d.*, is it not?—Yes.

3561. Would it be very severe upon a poor man who wanted to buy property worth 100*l.* to have to pay 2*s.* 1*d.* to the State in order to know that he had an absolute title to it, even assuming that the maximum was charged?—In practice it is not charged, because frequently offices have started in London of unquestioned position who have offered for a small fee to guarantee titles, and no one has doubted the titles and come to ask for the guarantee. I am a director myself of the Law Guarantee Society; and so little do the public think it worth having guarantees that we have been obliged to say that we should not make any charge for title in connection with a mortgage, but that we should

Chairman—continued.

should give them a guarantee in, because they would not pay anything for it.

3562. In that case they have had to pay the costs of the mortgage, and they rely naturally upon their solicitor; they have had to pay the cost of the transfer, and they have had also to employ a solicitor and perhaps counsel?—So they would have to do in the case you put to me, that it would be no hardship upon a poor man buying with a possessory title to pay 2*s.* 1*d.* for the State guarantee.

3563. I said a possessory title of which he would have the benefit after 20 years?—Yes.

3564. But take an absolute title; there he would have the benefit at once?—Yes.

3565. Is that not worth paying 2*s.* 1*d.* for?—I cannot see the particular advantage that it gives him. He has to have a much stricter examination before his title is made absolute by the registrar; very much stricter than we habitually make now. Why should he pay, in addition, for a guarantee by the State against mistakes by a State official?

3566. Supposing that the fee for transfer is nominal and that they charge what I have put to you; I have told you that I agree with you that we ought to try that the charges should be nominal upon land registration?—Including insurance?

3567. And that the insurance fee should not be more than a farthing in the £.; that being the case, and supposing that a man would act for himself, as you say, he might in simple cases?—Not for an absolute title.

3568. He is buying from the register; he would act for himself, and would not employ a solicitor. You have told us that that might be so in simple cases?—Yes.

3569. And they act so largely in Australia?—Yes. The reason why I do not think that will be so is, that you do not find in one case out of ten that people who can buy and transfer their own shares on stocks do so, in fact.

3570. I know that is so; but assuming that he can do it, and that he will pay a farthing in the £., that is 2*s.* 1*d.* for 100*l.*, and pay a nominal fee, which we will call 5*s.* or 2*s.* if you like, for the State guarantee, the advantage of the State guarantee is something, is it not?—Yes.

3571. So much for that. Now a word or two about the present system. You have spoken of the cost, and you have told us very frankly what I thought was the case, namely, that in London, if a client can afford it, in the absence of a special arrangement; the maximum charge is made?—Frequently; almost usually.

3572. Supposing that I was to go to buy a piece of land and went to a good firm of solicitors, they would assume that I could afford to pay the scale charges, and they would make no arrangement; but in an ordinary case I should be expected to pay these scale charges?—No doubt.

3573. That is the case with private individuals, is it not?—Yes.

3574. And private individuals are the larger number of purchasers?—Yes.

3575. Therefore, in the great number of

Chairman—continued.

purchases the maximum scale is paid?—Not in the greater number of cases.

3576. But it is not paid in cases where a special arrangement is made?—No.

3577. And, in the case of private individuals, no special arrangement is usually made?—Exactly.

3578. I will take your firm, because you gave us some illustrations within your own business. You deal with these great estates, and for great companies, corporations, and so forth; you have a very large amount of business for these, and I suppose without any arrangement at all; those are constant clients; there is no end of work, but you do not charge the maximum scale?—No.

3579. And so, in the case of building estates; they have a solicitor who has constant work (we have had a number of them here), and the small charges which they make have been put before us?—Yes.

3580. That is a case in which the solicitor makes special arrangements?—Yes.

3581. Because of the magnitude of the transactions that they have?—Yes.

3582. But most of us individuals, who are the great majority of purchasers, only buy an estate once or twice in our lives?—No doubt.

3583. Is it not therefore the case that these small scales, in exceptional instances, only represent exceptional classes of transactions where, by reason of particular circumstances, quite low fees are charged?—Yes; I think that if you exempt small cases from the operation of the Bill, even if you make it compulsory, you go a long way towards meeting our objections.

3584. Now, will you tell me why it ought not to be compulsory?—I should first like to deal with those two cases which I brought before you. I will first take that case in which expedition was absolutely vital; so much so, as you see at once, that we incurred the great expense of telegraphing a whole deed over to Australia, in order to carry the thing through the next day. That could not have been done under the the land registry. The son was in New Zealand, the land was in this country, and the father was in this country, the estate stood limited to the joint appointment of the father and the son, and nothing could be done by the father alone or by the son alone.

3585. That was a case in which you required to have an execution of a deed in New Zealand, because the land was in New Zealand?—No, the land was here; but it stood to the joint appointment of the father in England and the son in New Zealand.

3586. That was a case in which a man who was tenant for life was very anxious to raise money?—They were joint owners really, but in effect the father was tenant for life, and the son was reversioner, and the son borrowed on the entail, and it stood to the joint appointment of the two.

3587. And no deed could have been sent out and returned in time?—That is so.

3588. Supposing that that estate had been on the register, then you would have telegraphed

Chairman—continued.

to the son, and got his consent, would you not?—I should have telegraphed to the son.

3589. Were you the borrower?—Yes, I was not representative of the lender; I was borrowing on behalf of the father and the son. I represented both.

3590. You were borrowing for the father and the son from somebody?—Yes.

3591. And the question was whether you could confer a title?—Whether I could grant a mortgage.

3592. Supposing that the money had to be advanced at once, and you had got a telegram from the son in New Zealand authorising it, and had also got an agreement from the father, you could have put a caution on the register, could you not?—No.

3593. Why not?—Because if the son had died before coming home I could have got no title at all; I could have got no title without the signature of the son.

3594. But if the son had telegraphed his consent, and the money had been advanced on the strength of it, quite apart from the fact that it was a joint appointment, you could have enforced that transaction?—I do not think so.

3595. Supposing that I have got land, and do not give you the legal estate in it, but give you an agreement that I will confer upon you the legal estate, and get the money?—But he had not got the land; he had only a power of appointment over it.

3596. He has the power of creating the legal estate?—The father and the son could together deal with the legal estate; but neither could give any charge affecting the legal estate at all.

3597. Supposing that you had an undertaking for value from the son that he would execute his power of appointment, and, on the faith of that, you advanced the money, the Court of Equity would have enforced the transaction?—It might.

3598. Would it not?—I think it is doubtful. It would have landed me in a Chancery suit for a certainty. But assuming that it would for a moment, without admitting it, how does that bear on the question?

3599. You could have done that, and you could have put a caution to prevent anybody else from dealing with it on the register, and the son, as soon as he came to England, would have had to effect the transaction?—Why should he have been compelled to come to England?

3600. He might have done it by executing a deed out there, or by giving a power of attorney?—But no man would lend on what, if the young man died, would have meant a Chancery suit which might possibly end in his favour; but which, I think, is very doubtful indeed. If the son had come over here it would have been enforced against him.

3601. We must differ, I am afraid, as to whether there would be a Chancery suit, or whether there would be any chance of doubt about it?—Assuming the son's death, there certainly would have been a Chancery suit.

3602. I cannot assume that; but I would rather suggest, as an answer, that he could apply a caution to it?—Then I will take the other case, How are you going to deal with what solicitors are practically in the habit of doing, namely, waiving various requirements on undertakings? I gave the instance of the completion of a sale which was to have been done, last Wednesday or Thursday, of a building plot in which it was necessary therefore to lodge restrictions. Those restrictions had to be signed by four purchasers, there being four joint purchasers; it was only signed by three, and the solicitor asked if I would complete without waiting for the signature of the fourth, who happened to be in France. I telegraphed that I would, on his undertaking. I went to the Land Registry, and ascertained that it was impossible; that they would not allow me to register the conveyance then and the restrictions afterwards, because, by their rules, the restrictions must be lodged at and only at the time that the conveyance was lodged. Therefore I was obliged to refuse to complete the purchase, although I was willing to do so, because the Land Registry were not equally pliable. The consequence is that those purchasers will pay something like 10*l.* for interest, simply because there was the misfortune in that case that they happened to be dealing with officials and not solicitors.

3603. That would have been met if the rules were altered. I do not enter upon the question whether they ought to have done that or not; but if it were possible to register restrictions not quite at the same time, that would have been met?—Yes. If you will allow us to mould the system as we like I daresay we can manage to make it a workable system eventually, with the aid of experience.

3604. You have given us many suggestions, for which, I am sure, the Committee is very much indebted, at least, I am. Are there any other suggestions that you would like to supplement in order to make this system, what we hope to see it, a perfect system?—No, I do not remember any other.

3605. Then if these things are done as you suggest, and it is made a flexible and movable system, with the advantages that I have pointed out, and which you have in part admitted, would your objection to compulsion still remain?—I cannot see why, if the system is to be so good and to have such great advantages, it may not be safely left to make its way. You have got a system now which has been at work for hundreds of years, and has been perfected within the last 50 years, so that it is now convenient and flexible, and a well-known system; and the proper way to deal with it, if any new system is required, which has never yet been tried in this country at all, is to let both stand on their own merits, and let the better one win.

3606. That is on the ground of policy?—Yes, it is entirely a question of policy.

3607. The only thing that I want to say, after what you have been good enough to tell me, is this: I have put to you a number of amendments which you think would be valuable, and in some of which, at all events, if I may be permitted to say so, I rather agree with you; if there is any other suggestion which you think would be a desirable amendment, would you kindly favour the Committee by sending it to us?—I will go through them again.

Mr. ARTHUR MIDDLETON, called in; and Examined.

Mr. *Bolton*.

3608. You are senior member of the firm of Middleton and Sons carrying on business in the city of Leeds, as solicitors?—Yes.

3609. In addition to an ordinary conveyancing practice, you have a considerable amount of business passing through your office in connection with your position as solicitors to the Leeds Permanent Benefit Building Society?—That is so.

3610. That is an institution with assets amounting to over 1,437,000*l.*?—Yes.

3611. And with a turn over of about 560,000*l.*?—Yes.

3612. And lending out on mortgage from 150,000*l.* to 200,000*l.* per annum?—Yes.

3613. The assets are entirely secured, are they not, by mortgages of real, with a small percentage of leasehold and copyhold estates?—Yes.

3614. During its existence I believe this society has been instrumental in assisting thousands of working men in Leeds to acquire freehold property?—Yes, and in the north of England.

3615. I believe you register a large number of deeds at the registry office at Wakefield?—At the Deeds Registry Office; yes.

3616. At the Yorkshire Registry Office?—At the Deeds Registry Office for the West Riding of the county of York. We have three registry offices in the county.

3617. And they are very largely small transactions?—Very largely.

3618. How many land transactions were you connected with in the year 1892?—Taking all the transactions as near as I can get them together, we had a total of 555 transactions in 1892.

3619. In 1893 how many did you have?—Four hundred and ninety-five.

3620. In 1894 how many?—Four hundred and seventy-two.

3621. The total for the three years would therefore be, how many?—One thousand five hundred and twenty-two.

3622. Will you divide those between transactions for private individuals and dealings for the building society?—There are three divisions: private mortgages, building society mortgages, and conveyances. I have not attempted to give you any information at all, and I do not propose to do so, with regard to settlements, leases, and things of that description.

3623. I believe you have prepared some tabular statements showing these transactions, the amount of purchase money, the highest purchase money, the lowest purchase money, and the average purchase money?—Yes.

3624. Will you kindly hand those statements in?—Yes (*handing in the same*).

3625. Can you give us anything in the nature of a summary of them?—Yes, I have given you various summaries of them in my proof.

3626. I believe these records show the cost, do they not, of these transactions?—They show the total purchase monies, the highest purchase money, the lowest, and the average.

Mr. *Bolton*—continued.

3627. And the costs?—They show also the total costs, the highest cost, the lowest cost, and the average cost; and I have also in the case of purchases got out the average cost of all transactions under 500*l.*

3628. In these large numbers of transactions I suppose you will say that the amount of the charges are very reasonable, and are accepted, I believe, as reasonable by the people of Leeds?—We very rarely have any complaint at all. I have all the costs tabulated down to the decimal percentage.

3629. Will you give us generally a summary of these figures which you have handed in, as showing the transactions in your own office?—I have the whole of the transactions for 1892, 1893, and 1894, under three heads; transactions where we acted for vendors and mortgagees on sales; transactions where we acted for purchasers, and transactions where we acted in the preparation of building society's mortgages. The total transactions for vendors and mortgagees on sales for the years 1892, 1893, and 1894, are 232.

3630. Those are vendors and mortgagees outside the building society?—Those are vendors and mortgagees outside the building society. The building society are purely mortgagees; they buy nothing. For those three years (I will take the three years together, because there is not much difference in the average) there were 232 transactions. The total purchase moneys were 182,710*l.*; the highest purchase money was 6,090*l.*; the lowest was 20*l.*; and the average is 787*l.* 11*s.*

3631. Will you deal with the question of fees; the average amount of fees?—The largest yearly average of fees is 1*l.* 0*s.* 11*d.* per cent.; the lowest, 15*s.* 8*d.* per cent.

3632. The charges?—Yes.

3633. And that varies between the charges made to private clients of your firm and the charges made to the building societies?—The charges made to the building societies are on a special scale.

3634. Dealing with small transactions?—Yes.

3635. You are in a register county, and these costs include charges for journeys to Wakefield and correspondence with the registry at Wakefield?—Yes.

3636. Therefore, being in a register county, there is extra work to do in connection with the land transactions?—Yes, which do not take place in a non-register county.

3637. You said, I think, that these charges are generally accepted as reasonable charges in Leeds?—Yes, they are.

3638. How do they compare with stockbrokers' charges?—The stockbrokers' charges in Leeds are ½ per cent for the mere sale and transfer of stock.

3639. That is 10*s.* in the 100*l.*?—Yes; the charges for investigation of title and transfer of property combined do not amount ever, except in

Mr. *Bolton*—continued.

in the case of vendors, to more than one per cent.; and they go to as low as 15*s.* 8*d.*

3640. How do they compare with the charges of other professional men in Leeds?—We find that we are under-cut very considerably; we are by no means the cheapest conveyancers.

3641. Are there other solicitors in Leeds who charge on a lower scale?—Yes.

3642. And so far as you know, as a considerable practitioner in Leeds, you think that the people of Leeds are reasonably satisfied with the scale of charges adopted in land transactions there?—Yes.

3643. You are aware that it is proposed to make the Land Transfer Act of 1875 compulsory, to set up a register, and to have a registrar, and to have title on the register, and transfers on the register. What do you say as to that proposal as against the present system?—Personally I object to anything in the shape of compulsion in favour of a new system; a system not tried with any beneficial results so far, as against a system which has been tried and works sufficiently well. My experience is in small transactions, you must bear in mind, not in big landed estates.

3644. And you are only one of the solicitors carrying on this sort of business in Leeds?—Yes.

3645. Are there an enormous number of these transactions in Leeds?—Yes; I can give you the number of transactions that go on to our register from Leeds per annum. In the year 1892, 3,771 transactions went on to the West Riding register, that is from Leeds alone; for the year 1893 there were 3,728 transactions; and for 1894 there were 3,443.

3646. Now, if any compulsory system of dealing with property on the register were set up, you would want a registry office and registrar almost alone for Leeds, would you not?—I think we should want more than one.

3647. I believe you have made some inquiries as to the number of transactions on registration of deeds at Wakefield for the West Riding of Yorkshire?—Yes, I have a tabulated statement for the whole business of the West Riding.

3648. Take the last years, 1892, 1893, and 1894?—For 1892 the transactions registered were 21,316; for 1893 they were 21,348; and for 1894 they were 21,428.

3649. These figures you have ascertained from the registrar at Wakefield?—Yes, and 20 years ago there were nearly as many transactions; in 1876 there were registered 21,048.

3650. Then, there would have to be a considerable office, and an enormous staff to deal with the transactions in Leeds alone, apart from the West Riding of Yorkshire?—Yes, I take it there would have to be a very large staff, if the indefeasible title that the Land Transfer Bill points to were to be adopted at all.

3651. Do you see any advantage in setting up a compulsory register to deal with these transactions?—None whatever, without simplification of title.

3652. Do you believe there is any demand for anything of the kind in Yorkshire?—I do not know that the people have any knowledge with regard to it. It lies entirely with the profession. All they require to know is that they can sell

Mr. *Bolton*—continued.

their properties without much difficulty, and at the least possible cost.

3653. Would they prefer to have these transactions carried out at the small cost you mention by solicitors in their own neighbourhood rather than to have them carried out by a Government official in a Government office?—The class of clients I represent would not give 10*s.* a-piece extra to have a Government official doing the work.

3654. Are they satisfied with the present system?—Yes; they are, practically with the price they pay; they will at any time leave one solicitor for another to save half a sovereign to a sovereign.

3655. The number of solicitors practising in Leeds brings down the charges to a reasonable amount?—No doubt.

3656. You rather come to give us the feeling, so far as you can interpret it, of the people of Leeds with regard to this proposal, than to go into the details of this scheme, I think?—Yes, I do not feel that I am competent really to discuss the merits of land transfer. What I should wish to impress upon the Committee is that until it is assured that it will be a success, nothing should be done which would increase the cost of transfer of property.

3657. And you believe that this proposal would practically increase the cost of transfer of property?—Yes, without simplification of title at the same time. The mere transfer of property is nothing. I can put the transfer of property on to as little room as the certificate, and I have a sample here which I could show you where it is put into about four folios of words.

3658. The conveyance itself is very short in these transactions?—Very short indeed.

3659. But there ure covenants containing restrictions as to dealing with land?—Yes.

3660. And those would have to be put on the register?—It is my opinion that they ought to put on any register.

3661. I have here (you have given to me) a conveyance consisting of a little more than four sheets of foolscap paper on one side only, printed, and I see that the conveyance occupies only the first sheet, and the restrictions three sheets?—Yes.

3662. Do you think the restrictions on the three sheets ought to be on the register, if it is to be effective and useful?—Certainly.

3663. Therefore, if these three sheets of foolscap paper of restrictions were not on the registrar they would have to form the subject of a separate deed?—Possibly; in fact in the sample that you have there they ought emphatically to go on the register because they are made to run with the land.

Chairman.

3664. Then they could be put on the register by caution?—I do not know how they could be put on the register by caution. They ought to be there for anybody to find out on a mere glimpse at the register. In my judgment that is the one failing of the West Riding Registry.

Mr. *Bolton.*

3665. That is to say, that on the estate in regard to which this is the conveyance, every person dealing with it ought to be able to become acquainted

Mr. *Bolton*—continued.

acquainted without any difficulty with these three sheets of restrictions?—Yes, he ought to be able to go to the registry office and find everything there without even recourse to a solicitor.

3666. That is to say that these restrictions are an essential part of the conveyance?—Yes.

3667. And, therefore, ought to be on the register?—Yes; and they are a class of restrictions that give us, in Yorkshire, a considerable amount of trouble in finding out what they are from time to time.

3668. These restrictions relate to what?—Building frontage, lines, the class of dwellings, the laying out of streets and sewers, the erection of fences and similar things. It is a building estate; they are very common in Leeds.

3669. And you think it is a convenient thing that these restrictions should form a necessary part of the title deeds in possession of the purchaser, and that unless they are in the deeds which the purchaser holds they should be fully set out in the register?—Yes; in other words that notice of all that should be easily had.

Colonel *Long*.

3670. Do I correctly understand that you advocate in the case of property being registered that a complete history of everything should be put on to that register?—Yes, I do, except the purchase money.

3671. Was not that what was done under the 1862 Act, which was found to be rather a drawback?—I cannot say; I have no experience of the 1862 Act at all, I have never even read it.

Mr. *Greene*.

3672. In Yorkshire your system is registration of deeds?—Registration of deeds only.

3673. And that is compulsory?—Yes.

3674. Therefore the figures that you have given us in regard to Wakefield and Leeds during the three years show the number of transactions in those two places which, by law, have been compelled to be registered?—Yes. My own figures are the number of transactions; the figures I have given as to the register are the number of documents.

Chairman.

3675. You gave the figure, for example, of 1891 as 21,316?—That is for the county.

3676. That is, documents?—Yes, that is, documents.

Mr. *Greene*.

3677. Then the figures you gave us will not give a clue to the number of transactions which have to be recorded, if title has to be recorded?—No, some of these transactions may involve any number of deeds.

3678. Then I fail to see what the point of the figures is that you gave us?—It shows the number of what I call transactions, because each document refers to a transaction.

3679. But it may not be a sale?—It may be a mortgage, which is the same thing in effect.

3680. Are we to take it that these figures which you have given us in the Wakefield Registry; is that the only registry for Yorkshire?—No; there are two others. That is the West Riding Registry.

Mr. *Greene*—continued.

3681. Are we to take it that those figures show that in 1892 there were 21,316 sales or mortgages?—Yes; sales or mortgages. I should include settlements.

3682. What do you mean by settlements?—I mean settlement for natural love and affection. It includes every deed of every character.

3683. Marriage settlements?—Yes; everything that affects real estate must go on the register of Yorkshire, except contracts.

3684. Then this would not all fall within the provisions of this Bill, which only deals with records of sale?—Yes.

Chairman.

3685. The documents include every transaction affecting the property which is to be registered by law?—Yes; it includes probates of wills.

3686. Whether it affects the equity or the legal interest?—Yes; probates, whether they affect the equitable or the legal interest, are registered as a matter of course.

Mr. *Greene*.

3687. Then they would not afford us a guide to enable us to come to any conclusion as to the number of transactions which would have to be recorded by way of registration of possessory title, if this Bill should pass?—I think they do.

3688. They include a great deal more? Yes.

Chairman.] They give a general indication of the volume of business in Leeds.

3689. That is what you quote them for?—Yes.

3690. To show that there is a great deal done?—Yes.

Mr. *Greene*.

3691. Now I will ask you about delay; does it take long to register these deeds?—No.

3692. Because there is nothing but the registration of the deed itself?—Nothing but the registration of the deed itself.

3693. Or a certain portion of it?—Yes, that is all; the parties named, and the description of the property affected, and the attestation clauses.

3694. Have you had any experience of registration of title?—None whatever.

3695. Then a registration of deeds, if it is only to copy down certain extracts therefrom, would not afford us any guide?—No; it is purely mechanical work.

3696. Is it found satisfactory in Yorkshire?—We find it so. We consider that it gives us notice of a great many things that we should not otherwise find out.

3697. I suppose even that system could be improved?—Yes, in my judgment. I am an advocate for registration *verbatim*.

3698. Of all deeds?—Of all deeds *verbatim*.

3699. Compulsorily?—Compulsorily.

3700. Then, if that went on long enough, would it be possible from compulsory registration of deeds to establish a compulsory registration of title; would the one develop into the other?—No, there is a total difference between registration of deeds and registration of title.

Mr. *Greene*—continued.

3701. The two would never work the one into the other?—No. Simplification of title is absolutely essential to a cheap and expeditious land transfer, in my judgment.

3702. Do you see many points in conveyancing that could be improved so as to make an improvement in the way of transferring land, any blots in the conveyancing law?—The methods of conveyancing, and some of the details of it, might be altered. For instance, I never could comprehend myself why a discharged mortgage should go upon a title a second time.

3703. You object to certain amendments in the practice of conveyancing; are you content with the present system?—Quite. I am not content with the present titles, you know; I am an advocate for simplification of titles.

Mr. *John Ellis.*

3704. Do we understand that you come here at the request of the Leeds solicitors or the solicitors of the district?—Yes.

3705. And this matter has been considered by your local association?—By the Yorkshire Law Societies.

3706. Have they looked into the Bill?—Yes.

3707. I do not gather that you wish to express any opinion on the Bill?—I think it rather too large an order for me.

3708. You are not prepared to go through the clauses?—I object, as I have stated already, to compulsion in favour of a new system, which has not answered anywhere in England to supersede an existing system that does answer.

3709. Was I correct in gathering that your objection was based on the idea that you think the cost would be increased?—It would, in my judgment.

3710. If it were proved, to your satisfaction, that the costs would not be increased, would your objection vanish?—Yes; but there is an important "if" there.

3711. But it would vanish if that could be proved to your satisfaction?—And if it can be proved to the public, the Land Transfer Bill will supersede, without compulsion, the present conveyancing.

3712. Do you concur in the opinion of the last very authoritative witness whom we had before us, that "the point of compulsion is the main objection to this Bill, in fact, the only objection. Apart from some small alterations I should be very glad to see much of the Bill pass"?—I do not care what Bills the Legislature passes, so long as they are not compulsory.

3713. That is the point?—Precisely; so long as I am left with a free hand for my own clients.

3714. You gave us a rather broad answer, which I want to sift, with regard to the satisfaction of the population of Leeds with the present system; do you think they have considered the matter very much?—I think they consider what comes out of their pockets. They pay an auctioneer and estate agent more than they pay me, and for considerably less labour.

3715. Yorkshiremen are rather shrewd, you know; if it can be proved to their satisfaction that this proposal would create an improved system of land registry, what do you think they would say to it?—They will take it, and the profession will assist them to lead the way.

3716. Then it turns really in your mind upon cost?—I am in favour of anything that will cheapen the cost of transfer to the public.

3717. Consistently with efficiency and safety?—Yes; the one is essential to the other.

Chairman.

3718. Do you think that the public knows anything about the niceties of this subject?—I do not think they do.

3719. Do you think it would be possible by many years of education, to create a public opinion in England upon the subject of land transfer?—I am certain that the public in the north of England will be led by the profession, and that if found to be the cheaper system of the two it will be adopted.

3720. The public will be led by the profession; in that I shall not differ from you, because it really is the case that no layman unless he has been studying the subject for days, and has had an opportunity of being instructed, can master it?—Quite impossible; he wants an education in it.

3721. And then, as you say, he would be educated by the legal profession?—The education would be in the decreased cost; that is all you have to prove to them.

3722. I am speaking of the question as a matter of public opinion; you spoke of the population of Leeds, and what they thought in answer to honourable Member on my left; you do not really suppose that the population of Leeds has formed any judgment upon it, do you?—I said that they were satisfied, if I remember rightly, with the fees aleady charged, and the way in which the work is done. They will not be satisfied if land transfer can be made to do it cheaper and better.

3723. If it is cheaper they will like it?—Yes, unquestionably.

3724. You, I understand, have not yourself studied this Bill?—I have read the present Bill, but I have not read the Act of 1875.

3725. But the Act of 1875 is the very Act which this Bill seeks to amend?—Certainly.

3726. And that Act you do not know?—I cannot say that I know it, not from either your point of view or mine.

3727. You said you had glanced at it?—Yes, sufficiently to see that the amount of apparent officialism and routine to go through with it makes me suspicious of it.

3728. But you glanced at the Act of 1875, and have read this Bill carefully?—I cannot say carefully; I have read it through.

3729. Do you really think that unless the gentlemen of your profession take more pains than that they will be in a position to educate the public, and to lead public opinion?—I do not think at the present time they would take the trouble, because it is not an Act of Parliament; but if it were a permissory Act they would.

3730. No doubt they would then study it?—Yes.

Chairman—continued.

3731. Upon the question of regulation, your system is the registration of deeds?—Yes.

3732. You would agree that it is very valuable in the registration of deeds to give you notice that no deeds are withheld or cancelled?—Yes.

3733. I suppose that is the principal value of it?—Yes, that is the principal value of it.

3734. I suppose, apart from that and the ready collection of references to all the deeds so that you can put your hands upon them, there is no merit in registering deeds?—In the present registration of deeds there is no other merit; there might be great merit if the deeds were registered verbatim.

3735. So that you need not go any further?—Yes.

3736. You would still have to exercise your judgment upon the title as to whether it was a good title or not, would you not?—Yes.

3737. I think you will agree with me that the skilled opinion rather is that registration of title is coming more into favour, if it could be done, in preference to registering deeds?—There is again an important "if" there. I conceive that it is almost impossible to pass indefeasible titles on to the register with anything like simplicity.

3738. You have not studied the Australian system?—No; but there are many details in England, I think, that will not be found to exist in Australia.

3739. That must be a cursory view; you have not read the Act?—I take it that Australia, being a young country, has not the old-fashioned descriptions of property.

3740. You mean that titles are not so complicated?—The descriptions of property are not so complicated, I should think; I have no personal knowledge of it.

3741. You said that you would like to see simplification of title. What are your suggestions with regard to that?—I do not think I should dare to make any suggestions.

Chairman—continued.

3742. Why not?—I should prefer that those suggestions should come from abler people.

3743. Can you not make a suggestion? If you cannot, it must stand in this way: that you cannot suggest any improvement upon the present system?—In detail I should not like to; I think that that information can be got from much better men than myself.

3744. I have not said that. Now, upon the question of costs. You know the scale?—Yes.

3745. Of course, we all know there are many arrangements of solicitors in different Building Societies where much less than the scale is charged?—Yes.

3746. That is because of the multitude of transactions?—Yes.

3747. Do I gather from you that the scale costs are not ever insisted upon now in Leeds?—I should think not once in a hundred times.

3748. But much less is charged?—The percentages which I have been giving you are in respect of independent private transactions between me and my clients.

3749. You have told us your own particular experience; but do I rightly understand that the scale of fees which can legally be required is rarely got in the town of Leeds?—Exactly.

3750. The solicitors, by reason of actual competition, voluntarily give it up?—It is only got in the very best offices.

3751. That is, where the people can afford to pay it?—Precisely.

3752. In other words, when they can afford to pay it, it is expected?—There are certain people who pay the proper professional charge, whether to their lawyer, their architect, or their doctor, without any inquiry. That is the class of client we like, but they are rare.

3753. In that case they are willing, and are allowed to pay?—Certainly.

Mr. C. H. MORTON, called in; and Examined.

Mr. *Bolton.*

3754. I BELIEVE you are President of the Incorporated Law Society, Liverpool, which is the largest of the Provincial Law Societies?—That is so.

3755. The Liverpool Society numbers, I believe, about 400 solicitors practising in and near Liverpool?—That is so.

3756. It includes many in Birkenhead, Southport, Ormskirk, Wigan, St. Helens, and Widnes?—That is so.

3757. You are also one of the secretaries of the Associated Provincial Law Societies?—Yes.

3758. That is an association which numbers 50 separate law societies spread over England?—Yes, about that.

3759. I believe you have lately given evidence before a Committee of this House on the question of the administration of trusts?—Yes.

3760. I believe you have a large practice in conveyancing transactions, both great and small?—Yes.

3761. You, of course, act frequently both for purchasers and vendors?—Yes.

Mr. *Bolton*—continued.

3762. I believe property in the district where you practise is very considerably held in small holdings?—Very largely.

3763. And is frequently dealt with?—Very frequently.

3764. Is it dealt with promptly?—Very promptly, as a rule.

3765. Both as to sales and mortgages?—Both.

3766. Do you believe that your clients and the people of Liverpool are reasonably satisfied with the present system?—That is my experience; I think it is so.

3767. Both as to efficiency and as to promptitude, and as to cost?—Yes; a purchaser's legal costs are, roughly, something like 1 per cent. on small transactions, I should say.

3768. You mean that the solicitors' costs are not more than 1 per cent.?—Not more than 1 per cent. on a conveyance.

3769. As to mortgages, what would it be?—A little more, perhaps, on small transactions.

Mr. *Bolton*—continued.

3770. Do you consider that those charges compare favourably, from an economical point of view, with the charges made by other professional men connected with land transactions in your neighbourhood?—They are very much less than the charges of an estate agent, for instance. As a rule, an estate agent may be said to get 2 per cent., speaking broadly. A solicitor gets about half that for the legal work.

3771. So far as you know, are the people of Liverpool reasonably satisfied with the present system?—They are.

3772. There are a very large number of transactions, and, of course, if any public register were to be set up there would be a very considerable number of officials employed to transact the business?—There must necessarily be a large number, if it is to be done properly.

3773. Do you think that a system under which the business of dealing with the transferring and mortgaging of land is to be handed over to a registry and a public official is any improvement upon the present system?—No, I do not think so; principally on the ground of the probable delay, judging from the actual delay with the present land registry system. If anything like delay occurred, I think it would be simply disastrous.

3774. I believe you have had some experience yourself of land registration?—I have knowledge of some.

3775. You are prepared to hand in, I believe, a short statement, showing some transactions you have been concerned in at the Land Registry, the nature of the transactions, the consideration, the date when the papers were sent to the Registry, the date when the papers were returned completed, and the fees paid to the Registry?—I am.

3776. Will you hand in that statement?—Yes.

[*The following Table was handed in*:—]

INSTANCES OF TRANSACTIONS IN THE LAND REGISTRY UNDER THE ACT OF 1862.

Transactions.	Consideration.	Date sent to Land Registry.	Date returned completed.	Fees paid to Registry, Stamp and Solicitors' Charges excluded.
	£. s. d.			£. s. d.
1. Conveyance	3,062 – –	13 Feb. 1893	13 April 1893	15 2 11
2. Conveyance	179 8 –	8 Mar. 1889	20 May 1889	4 11 2
3. Conveyance	173 6 –	28 Sep. 1894	21 Nov. 1894	4 13 2
4. Re-conveyance of Mortgage (Legal Estate vested in Three Executors).	600 – –	—	—	Out of pocket expenses, excluding fees of registering reconveyance, £5 11*s.* 4*d.*
5. Conveyance	100 – –	28 Feb. 1887	18 May 1887	2 15 6
6. Conveyance	100 – –	28 Feb. 1887	18 May 1887	2 15 6
7. Conveyance	100 – –	28 Nov. 1887	19 May 1888	2 15 6
8. Mortgage	500 – –	28 Nov. 1887	19 May 1888	2 2 10
9. Mortgage	1,000 – –	18 July 1888	13 Sept. 1888	1 19 4
10. Re-conveyance	500 – –	26 July 1892	21 Sept. 1892	2 5 –
11. Conveyance	Nominal	12 July 1890	28 Jan. 1891	2 6 4
12. Conveyance	550 – –	—	—	3 2 8
13. Mortgages, transfer of three.	4,350 – –	—	—	12 17 3
14. Mortgage, transfer of.	1,000 – –	—	—	5 2 7
15. Mortgage, transfer of 1,000*l.*, and further charge, 200*l.*	1,200 – –	—	—	9 11 6
16. Conveyance	2,866 12 6	10 Jan. 1891	21 Mar. 1891	24 6 4
17. Conveyance	234 19 6	7 Nov. 1889	1 Jan. 1890	3 6 6
18. Conveyance	161 7 –	23 Aug. 1894	29 Oct. 1894	3 17 3
19. Conveyance (No. 1859).	1,400 – –	(1889) About	two months.	15 14 9

Mr. *Bolton*—continued.

3777. You think that shows a delay which is undesirable?—Quite so. You see the shortest time is about two months; sometimes it extends to five months. I think I ought to say that since I prepared that statement I have knowledge of one case where it was within a month, but that is the only one I ever knew of where it was within the month; it has generally been in two months; whereas in practice matters are completed probably within a week if the parties desire.

3778. You believe that the establishment of a registry and public officials to do the business that you and the other solicitors of Liverpool do in your offices would be attended with delay?—I fear so. It is so in every other Government Department.

3779. Do you believe, so far as your experience has gone, that the system of a register would be any saving of expense?—None; I believe it would be the contrary, except perhaps in large transactions. Possibly in large transactions there would be a considerable saving; but in matters of under 1,000*l.*, which is the more ordinary transaction, I should say the fees would be more.

3780. Have you taken any means of ascertaining the opinion among the members of the provincial law societies?—Yes; I am speaking the view of the whole of the provincial law societies.

3781. Is it their opinion that this system proposed to be set up would be attended with delay and increased expense?—Yes, that is the opinion of the whole of the provincial law societies.

3782. Under those circumstances, the associations which you represent, and you yourself, are opposed to the proposals of the Bill which is before the Committee, to establish compulsory registration?—We are strongly opposed to it.

3783. May I ask whether that is in the public interest as well as in the interest of the profession?—We believe we reflect the opinion of our clients very strongly indeed when we say by all means have a promptitude in a transaction. It is the suspense and delay that annoys the lay client. He believes, as we believe (to a great extent of course he takes his text from our preaching), that there will be delay, because that is our experience with every Government Department that we have anything to do with; and we do not believe the Land Registry would in that respect differ from the Bankruptcy Department, or the Charity Commission, or any other Government Department.

3784. You object to the proposal of a register with public officials, and the establishment of a large number of officials to do this business which is sufficiently well done by private practitioners?—We believe it is very well done under the present system, but we are quite prepared to show, if we are asked, how it could be improved.

3785. On the present lines?—Yes, it could be improved on the present lines.

Mr. *Greene.*

3786–7. As regards this table you have put in of instances of transactions in the Land Registry under the Act of 1875, are those transactions which have been sent up from the country to London?—They are transactions which have been sent from Liverpool to London.

3788. And worked through London agents, I suppose?

Mr. *Greene*—continued.

suppose?—No; they have been mostly done by post, direct.

3789. I see in a great many cases it took either three or four months; two months is about the least?—Yes, I believe so.

3790. I see one case where it was something like six months, from July 1890, to January 1891?—Yes.

3791. A couple of months or so is about the usual time taken?—A couple of months is about the usual time.

3792. That would be the time taken to get the matter recorded on the London Register?—Yes.

3793. That would be in addition to the time taken in perusing the title on both sides, and investigating the title?—Yes.

3794. Are we to take it that two months might be supposed to be the least time, in your experience, in which the official part of the work could be done?—Since that proof was printed I have found a case in which it was done within a month; but it was only one case.

3795. Do you find that your clients desire to carry through their purchases very quickly, and to get their deeds back, so as to be able to effect a mortgage on the land they have acquired?—Yes, they want the deeds back immediately. That is the difficulty with the two land companies in Liverpool on the register. They find they cannot effect a purchase because of the difficulty of mortgaging it, owing to the delay.

3796. It is with a view to the subsequent transactions that the delay is so prejudicial?—Yes.

3797. It does not matter in the case of a private investor who has purchased his house to live in it?—No, it is not so material there.

3798. But it is in the case where borrowing is to take place upon the security of the property which the man has acquired?—Yes. A mortgagee will not wait two months, or he has to be paid interest for the delay.

Colonel *Long.*

3799. Does this statement, which you have handed in, show the costs of registering an absolute or a possessory title?—I think the different cases vary; they are not all absolute titles, but I should say the majority are; I could not charge my memory with that, but I should say they would be absolute titles.

3800. Have you any idea as to the reason why the delay happened?—I cannot conceive.

3801. You send them up by post, I understand; there is no difficulty about that?—Yes.

3802. You tell them you want them in a hurry, and they take about two months?—They take about two months.

3803. Of course, if there were an inquiry into title, that might take time?—The whole of these are subsequent transactions, after the land has been put upon the register. As to how long it takes to get the land upon the register I have no experience.

Chairman.

3804. Are these all your own cases?—No.

3805. Do you know the cases?—I have seen the particulars of the cases.

3806. Have you seen each case?—I cannot say that; all I know is that the documents went up, and the land certificates, when asked for, come back in two months.

Mr. *Bolton.*

3807. You could give us the particulars of these cases?—Certainly.

3808. You could give us the particulars so that the cases could be identified, and the registrar could have an opportunity of explaining them, if possible?—Yes.

3809. You will, perhaps, send those particulars to the Clerk to the Committee?—I will do so.

Mr. *Greene.*

3810. These cases, I understand, are only transfers?—They are only transfers.

Colonel *Long.*

3811. Some of these cases have been your own, and you know something about the charges, I understand?—I have verified the payments, but they are not all paid by me; I might have been representing the vendor; it would be the purchaser who would pay those charges.

3812. Unless you were representing the purchaser, you would not know?—No.

3813. You said that the solicitors' charges in Liverpool come to about 1 per cent.?—Yes, roughly, on small purchasers.

3814. Have you ever looked at the regular charges of the Land Registry Office, as set out in their Instructions?—I have, from time to time, but I do not remember them at the moment.

3815. They do not come to anything like 1 per cent., of course?—Not on large transactions, but on small transactions they will, and more, I think.

3816. They do not, apparently, in these Instructions?—This statement I have given shows the payments actually made to the Land Registry in the cases on that list, and they are more than 1 per cent. in those cases; they are more like 3 per cent. sometimes.

Chairman.

3817. Are these cases in the list you have handed in, cases in your own office?—Not all of them.

3818. Are any of them cases in your own office?—Yes, some of them.

3819. The other cases have been supplied to you by the solicitors, I presume?—They have been supplied by members of the committee of the Liverpool Law Society.

3820. As to those, you have not actual knowledge, I presume?—Except what I have verified.

3821. With regard to the question of cost, you know the law scale, of course?—Yes.

3822. Do I understand you to suggest that in Liverpool solicitors do not get that scale?—Never, I should say, on moderate purchasers.

3823. To what extent is it diminished?—I should say they get 1 per cent. as a general rule on such purchases.

3824. Have you any calculations upon which you base that statement; what diminution on the scale would that represent?—That represents less than half the combined law scale.

3825. That is your impression of what solicitors get in Liverpool?—That is so.

3826. Have you studied this Bill yourself?—Yes.

Chairman—continued.

3827. You know all about the Bill?—I would not like to say that.

3828. You have studied the system?—Yes.

3829. Are we to understand that you object to the Bill, or do you object to compulsory registration?—I should be very glad indeed to see the Bill tried experimentally if it were not compulsory, and particularly if you could take a little off the register if you found it did not work.

3830. Your objection is not to the Bill, but to compulsion?—Certainly.

Mr. ROBERT PYBUS, called in; and Examined.

Mr. *Bolton.*

3831. ARE you a member of the firm of Gibson, Pybus, and Pybus, solicitors, of Newcastle-upon-Tyne?—Yes.

3832. Are you also registrar of the county court at Gateshead?—Yes.

3833. I believe you have been in practice 24 years, and have had considerable experience in conveyancing, and other business, chiefly conveyancing?—Yes.

3834. For 21 years, I believe, you assisted your senior partner, Mr. Gibson, in his duties as honorary secretary of the Newcastle-upon-Tyne Incorporated Law Society?—Yes.

3835. On his resignation you succeeded him in that office?—Yes.

3836. You were also president of that society in the year 1888–89?—Yes.

3837. That society includes all the leading solicitors in Newcastle and Gateshead and in the county of Northumberland?—Yes.

3838. And also many in Durham, South Shields, and Jarrow in the county of Durham, does it not?—It does.

3839. I believe you have taken great interest in the Land Transfer Bills introduced into Parliament in recent years?—I have.

3840. Therefore in addition to your own experience you have had exceptional opportunities of gathering the experience of others in the North of England with reference to the transfer of land?—Yes.

3841. It is at the request of the standing committee of your society that you tender your evidence here?—Yes.

3842. Do you think there is any substantial demand for any system of registration in your part of the country?—I do not think so.

3843. The popular notion I believe in certain quarters is that the register will show every transaction connected with land?—When I hear the question discussed by laymen at all it is generally from the point of view of preventing fraud, and they have the idea that the register will show every transaction dealing with the property.

3844. And so prevent fraud?—That is their idea; it is not my own.

3845. With regard to the way business is transacted in your part of the country, is it transacted with expedition and satisfaction to the people?—It is transacted very quickly, indeed; frequently two or three days suffice, and I have known in many cases a conveyance completed the same day that the instructions were given.

3846. About what is the charge made by solicitors for purchases in your part of the country?—In transactions under 300*l.* the charge is very low. I have here some statistics with which I shall not trouble you in detail, but I may mention one building estate in Northumberland which is at present being sold. There are 700 and odd sites; they are sold chiefly, I may mention, to miners. The purchaser gets a free conveyance for two guineas per site, and for one guinea more he may mortgage to a co-operative or building society, and if he goes to pay off his mortgage he gets a statutory receipt without paying any fee at all.

Mr. *Bolton*—continued.

3847. The charges are very low in a large number of those small transactions in your neighbourhood?—Yes, especially where building estates are being dealt with.

3848. They do not at all approach the recognised maximum scale sanctioned by law, do they?—No, they do not; and even in larger transactions, up to 1,000*l.*, where the scale is 1½ per cent. the customary charge does not exceed 1 per cent., in my experience.

3849. Do you think it would be any improvement if a register were set up and a registrar appointed, and there were public officials to deal with these transactions?—I have always been in favour of register of title if it could be carried out with simplicity and cheapness; but I have applied the existing regulations and the scales of fees of the land registry to the transactions I have been mentioning, and I find that each transaction which, under the present system, costs three guineas would cost 8*l.* 12*s.* 6*d.* if registration were added.

3850. Could you give one illustration of that?—I can give you the costs in the case of a purchase. I may say that the average purchase money of those sites which I have mentioned is about 20*l.*, and as I have stated, they get their conveyance for 2*l.* 2*s.* The extra costs of registration in the case of purchase would be 2*l.* 1*s.*, and in the case of mortgage the extra cost would be 3*l.* 8*s.* 7*d.* That would make 5*l.* 9*s.* 7*d.* to be added to the 3*l.* 3*s.* (which is the total charge under the present system), making a total of 8*l.* 12*s.* 7*d.* Then if the mortgage were discharged at present, as I have already said, the mortgagor pays nothing for it; but under this Bill he would have to pay 14*s.* 6*d.* for registry fees. Again, if he dies intestate leaving a widow entitled to dower, and a child, the registry fees would be 1*l.* 3*s.* 6*d.* for entering the notice of dower, and filing declaration in proof of heirship. Those are the costs of first registration with a possessory title. I have also taken out the costs of subsequent dealings under the Bill, and I calculate that each subsequent transaction would cost 4*l.* 10*s.* 8*d.* if the title were on the register. It would certainly be done for 3*l.* 3*s.* if it were not.

3851. You have a statement giving the particulars of the items making up the totals you have given us?—Yes.

Mr. *Bolton*—continued.

3852. Will you hand it in?—Yes.

[*The same was handed in*] :—

TABLE showing the Extra Expense of First Registration with a Possessory Title and of the Mortgage to a Co-operative or Building Society.

Reference to Official Regulations.		£.	s.	d.
	I.—As to Purchase.			
p. 95	1. Fee to Commissioner on declaration in lieu of application and two exhibits (map and schedule)		3	6
p. 111	2. Fee on inspecting Register		5	–
p. 111	3. Fee on inspecting Index Map		5	–
p. 2	4. Cost of Ordnance Map (at least)		2	6
p. 2	5. Surveyor for laying down site thereon, say		10	–
pp. 108, 109	6. Ad val. fee to Registry on cost of site: about 20*l.*		2	6
p. 95	7. Commissioner's fee for verifying execution of transfer by purchaser		1	6
p. 110	8. For entry as to mines, &c.		10	–
p. 112	9. Stationer's charges at the Registry		1	–
	£.	2	1	–
	II.—As to Mortgage.			
p. 111	10. Inspection of Register by mortgagee		5	–
p. 111	11. Inspection of Index Map by mortgagee		5	–
p. 109	12. Special land certificate		10	–
p. 95	13. Commissioner's fee for verifying signature of mortgagor to instrument of charge and two exhibits		3	6
p. 108	14. Ad val. fee to Registry; the house having been built since registration of purchase, and being mortgaged for, say, 150*l.*		15	–
p. 110	15. Fee to Registry for entry of reservation of and conditions as to mines		10	–
p. 111	16. Fee to Registry for filing the Society's form of mortgage containing special provisions		10	–
pp. 5, 112	17. Fee to Registry for notice of registration on last deed, viz., the conveyance		1	–
	18. Surveyor for map to annex to instrument of charge, say		5	–
p. 112	19. Stationer's charges at Registry		1	–
	20. Insurance Fund at ½*d.* per £. on 150*l.*		3	1½
		3	8	7
	Making £.	5	9	7
	To be added to the 3*l.* 3*s.*, which is the total charge under the present system.			
	III.—As to Discharge of Mortgage.			
	I have already stated that if the mortgage be paid off under the existing system, the mortgagor pays nothing for it. But under this Bill he would have to pay the following charges:—			
	To the Secretary for attending before a Commissioner, and making declaration as to execution of the discharge, say		5	–
	Commissioner's fee thereon		1	–
p. 111	Fee to Registry for filing cessation of incumbrance		7	–
p. 112	Stationer's fees at Registry		1	–
	£.		14	6
	Supposing that one of these miners after registration dies intestate, leaving a widow entitled to dower, and a child, the following fees would be payable at the Registry, viz.:—			
p. 110	Entering notice of dower	1	–	–
	Filing declaration in proof of heirship		2	6
	Stationer's charges		1	–
	£.	1	3	6
	So far I have only been estimating the cost of first registration with a possessory title; but if subsequent dealings are contemplated in the light of this Bill, it will be found that on a sale of one of these cottages for, say, 200*l.*, the following costs would be incurred by the purchaser, viz.:—			
	1. Fees on searching Register and Index Map		10	–
	2. Commissioner's fee on verifying signature of transfer and two exhibits		3	6
	3. Surveyor for preparing map, say		5	–
	4. Ad val. fee on 200*l.*		15	–
	5. Insurance fund on ditto		4	2
	6. For entry as to mines, &c.		10	–
	7. Stationer's charges at the Registry		1	–
		2	8	8
	Solicitor's charges according to Scale appended to Act of 1875	2	2	–
	£.	4	10	8

Mr. *Bolton*—continued.

3853. You believe that the establishment of this register would increase the expense, practically?—I do not see how it could do otherwise, in small transactions.

3854. But even if the register were set up, and this system established, I suppose you are opposed to its being made compulsory?—I think it would probably work very great injustice, and I think it should be tried as a voluntary measure first.

3855. You think it should be limited in its area and duration?—Yes. I certainly do not think compulsion should be imposed.

3856. Do you think the people of Newcastle are reasonably satisfied with the way the solicitors transact business under the present system, and as to their charges?—I think they are. I think the competition is quite keen enough to secure that.

3857. Do you believe that property is reasonably secure under the present system; have you heard of any cases of fraud, which have deprived people of their property, in your neighbourhood?—Very few cases. I do not think prevention of fraud is either the chief advantage of, or the chief objection to, this Bill; I do not know that there is very much in the question of fraud either for or against the Bill. My objection to it is that it would increase the cost, and very much increase the delay, in completing all such transactions as I have named.

3858. The system to be set up is a hard-and-fast system, and not a flexible system like the present?—Obviously it must be so if it is to be consistent with the official regulations.

3859. Therefore you, and those whom you know who are interested in land transactions, are opposed to the change proposed by the Bill?—We are opposed to it on behalf of our smaller clients chiefly; we believe it would work great hardship.

Mr. *Greene.*

3860. In addition to the expenses enumerated in the table which you have handed in, there would be, would there not, the expenses of the solicitor, in putting it on to the register?—I have assumed in this case that the persons are able to prepare their own documents without professional assistance. I have given the Bill every benefit. I also assumed that they would pay no more than 10*s.* to the surveyor with regard to the map on the first transaction, and 5*s.* on the second. I doubt if they could get the work done so cheaply as that.

3861. These figures you have given us would be considerably increased if the purchaser of a small property had to employ his solicitor when it was put upon the register?—I do not think any solicitor could possibly prepare these papers under 1*l.* 1*s.* That would have to be added to the 8*l.* 12*s.* 7*d.*, which I mentioned.

3862. I see under the scale of fees of these Instructions of the Land Registry Office, there is a charge of 2*l.* 2*s.* allowed for a solicitor for attending at the registry to carry it through?—In my estimate of the cost of transactions after the first registration I have included that 2*l.* 2*s.*

3863. In addition to the cost that you have suggested, which might be 2*l.* 2*s.*, there would also be, perhaps, some out-of-pocket expenses

Mr. *Greene*—continued.

by the solicitor?—I think it very unlikely that the miners could go to the registry and have the whole transaction completed in one day. I think the miner would lose at least two days' wages; he would be, perhaps, at a distance of 20 miles from Newcastle.

3864. So that, taking the case of a working man or a miner, he would have to bear even larger costs than you at first suggested, because I have now brought to your notice two items: out-of-pocket expenses, and these other charges in addition?—That is so.

3865. Will you kindly give me the figure, including some assumed amount, for the solicitor, and some assumed charge for out-of-pocket expenses or loss of wages?—I think there would be one guinea for the solicitor and one guinea for the surveyor at least for each transaction.

3866. Then there would be also loss of time of the purchaser?—Yes.

3867. That would be two guineas more for the solicitor and surveyor; what would that make the charge as compared with the present charge?—Over 10*l.*, instead of 3*l.* 3*s.*

3868. On a small transaction?—On a transaction where the purchase money for the site was 20*l.* only. In the case I am putting, the purchaser had built a house costing about 180*l.*; that brings up the total value to about 200*l.* That man would usually mortgage it for about 150*l.* to a co-operative society. That is the kind of transaction I have been referring to.

3869. In point of fact, it is continuous, is it not; it is really one transaction by three stages?—It generally takes place within a very short time, because, as a matter of fact, he begins to build as soon as he gets his contract.

3870. May I take it, for a miner who wants to build his house on a 20*l.* plot, it would cost him 10*l.* according to these calculations of yours (of which the details are given in the statement you have handed in) to get on to the register?—Yes, instead of 3*l.* 3*s.*, that is my estimate.

Chairman.

3871. Am I to understand you to say that it is the average result, or the fair result of the present proposal to charge 10*l.* for the purchase and mortgage of land worth 200*l.*?—No. I say that is so with regard to the 700 and odd sites that I have been referring to.

Chairman—continued.

3872. I am speaking of what you said to the honourable Member just now, namely, that 10*l.*, under the present scale of the Land Registry Office, would be the average representative charge for purchasing and mortgaging property worth 200*l.*?—In the margin of that statement I have given a reference to the pages of the regulations upon which I based my figures.

3873. I will not press you further upon that. Your estimate of the comparative cost is based, on the one hand, upon the assumption that the present land registry will continue to charge the present scale of fees now chargeable by them, as you understand their fees?—That is so.

3874. On the other hand, it is based on the assumption that solicitors will not charge the maximum fees, or rather the scale of fees which are chargeable by them; that is the assumption, is it not?—As to the solicitor's fee, I have included it in the 4*l.* 10*s.* 8*d.* at the end of the statement.

3875. You assume, for the purposes of your calculation, that the Land Registry will continue to charge the fees chargeable by them?—Yes.

3876. But that the solicitors, acting separately and privately for their clients, will not charge the fees they may be paid by their scale; is that so?—I am afraid I do not understand the question. I have said that a solicitor preparing these papers must expect to be paid about a guinea.

3877. What I am putting to you is that in your comparison you do not compare the scale in one case with the scale in the other, but you compare the scale in one case with what you think would be accepted and paid in the other?—I compare the scale in the one case with what *is* accepted and paid in the other.

3878. And what you think will continue to be accepted and paid?—Yes, I think so.

3879. Is it your experience that the scale of fees under the Remuneration Act is not paid to solicitors in Newcastle generally?—I think in mortgages perhaps it is, but I should say it is not paid on purchases.

3880. In private transactions does not the solicitor get the scale in nearly all cases?—Not nearly all cases, not by any means.

3881. In most of them?—No; my experience is that there is generally a reduction made.

Mr. Frederic Seebohm, called in; and Examined.

Mr *John Ellis.*

3882. I believe you have been since 1859 a partner in the banking firm of Messrs. Sharples, Tuke, & Company?—That is so.

3883. You carry on business in the county of Hertford, at Hertford and Hitchin, and also at Ampthill and Luton in Bedfordshire?—Yes, with other small branches.

3884. You are this year president of the County Bankers' Association, I believe?—Yes.

3885. I believe you desire to give us some evidence from your own experience, and also in your representative capacity, with regard to the effect of Clause 14 of the Bill on banking business?—That is so.

Mr. *John Ellis*—continued.

3886. Perhaps as succinctly as you can, consistently with clearness, you will give us what you wish to say?—In the first place, I should like to impress, if I could, upon the Committee, that the class of cases which I am representing to-day are entirely different from those which pass through solicitors' hands. The acknowledged statistics which are published give the figures of the loans and advances which are made by bankers in England and Wales at the sum of 339,000,000*l.* Of those, a certain proportion are on bills discounted. Unfortunately, they are not returned separately from the others; but, making the best estimate that I can make, I think

Mr. *John Ellis*—continued.

I think it may fairly be said that the advances on current account and on loan which are made by bankers amount to 250,000,000*l.* Now, in order to show how large a proportion of that is lent upon the deposit of deeds, I have to go to the experience of individual banks; we have no statistics of the whole. In five branches which I have examined, the figures come out thus. In those five branches there are 123 cases of loans of 500*l.* and under on equitable deposits; 73 cases over 500*l.*; and 10 on second charges, in which case, of course, the deeds are not deposited; making 206 cases in all. The total of the first class of cases (that is to say those of 500*l.* and under) amounted to 26,800*l.*; those over 500*l.*, to 156,050*l.*; and the second charges to 7,000*l.*; making a total of 190,000*l.*, out of a total amount of loans of 310,000*l.* That is to say, about 60 per cent. of the loans which are made in those five branch banks in my own county are made on deposit of deeds or equitable security only. Now that total of loans, 310,000*l.*, is about $\frac{1}{800}$th of the whole total for England and Wales; and, therefore, if I multiply the 190,000*l.* by 800, I get a total of 152,000,000*l.* lent on deposits of deeds. It would not be fair to take that as necessarily implying the exact figures for England and Wales; because, for instance, in Manchester and Liverpool there is a great deal lent upon cotton and other things, and, therefore, the proportion that would be lent there upon deeds would be considerably less than it would be in an agricultural district.

Chairman.

3887. And in London there would be a great deal lent upon bills of lading, I presume?—In London also the same thing would apply. I find, for instance, that in the district surrounding the town of Yarmouth the percentage is 65 per cent. of their loans, and in Chester, which is bordering more upon the manufacturing districts of Lancashire, it is only 27½ per cent., and of 70 branches of a very large bank, which has its centres in Manchester and Liverpool, and yet spreads over a considerable district of country, the percentage is nearer 40. I think we may fairly say that from 100,000,000*l.* to 150,000,000*l.* represents the amount that at the present moment is dependent upon these deposits of deeds. Now, as to the character of these loans, they are not of the same character as those which come before solicitors. A very large proportion of them, nearly the whole of them, are transacted in the banks themselves, without the intervention of solicitors; they do not represent the investment of money in land, or the transfer of land and property from one owner to another, but they represent the passing needs of the trading community, transactions upon the punctual payment of which from day to day depends the credit of the tradesmen. Very often it happens in this way, that the security is brought to the banker when the limit that has been arranged between a customer and the banker is exhausted, and there comes some emergency upon which cheques have to be paid or bills advised, and by the very next post. These are the times when in the experience of bankers those who would otherwise be reluctant

Chairman—continued.

to deposit their deeds and give security are obliged to give security, the payment of their cheques and the advice of their acceptances being dependent upon the security being given. Now, the general form of security by deposit of deeds varies slightly, I might say considerably; but this is the form which has been used by my own bank for the last 30 years.

[*The following Form was handed in*]:—

To Messrs. Sharples & Co.
Hertfordshire Hitchin Bank.

In consideration of your having, at request agreed to allow occasionally to overdraw current account, and in order to secure the payment to you or the partners, for the time being, in the Hertfordshire Hitchin Bank, of all monies (including banker's charges) due for the time being, upon or in respect of the same current account or any bill or note accepted, given, or endorsed, by I do hereby charge therewith, and I also deposit with you the of or relating to

And agree to execute a mortgage of the same with power of sale whenever required.

In witness whereof have put hand this day of 189 .

Witness

Witness.] The simplicity of that form is really its merit. Promptness is also a very important point, and the cost is an important point, and secresy is an important point to the customers, and security, of course, is the great point to the banker. Now, by the present system of deposit of deeds, we really have it in our power to fulfil those four necessities of the position. We have the deeds brought to us; we can generally tell by going through those deeds, in a very short time, whether it is necessary to submit them to a solicitor. In nine cases out of ten my own experience would be that they do not go to a solicitor. In the tenth case, where there is any difficulty either in the title or anything else, a solicitor's opinion is obtained; but it is the solicitor of the banker, and I do not recollect in my own case that we have ever made a charge for the opinion of our own solicitor in the case of these loans; we consider that that is a part of our business which we have to pay for. Therefore the 190,000*l.* which has been lent upon that simple document, and which is now lent at the present moment, is lent on the spur of the moment at only a nominal cost, and with perfect secrecy. With regard to the cost, I will just give one illustration. Up to within a very few years ago the stamp duty was half-a-crown per cent. on equitable mortgages as well as upon legal mortgages. So far as I know, that half-a-crown per cent. was never paid; we would rather take the risk of having to pay the twenty pounds penalty than submit our customers to the half-a-crown per cent. payment. When Mr. Goschen was arranging the stamp duties upon these transactions, we pointed out to him how absurd it was that the equitable mortgage should be charged the same as

Chairman—continued.

the legal mortgage, and he was good enough to reduce it from half-a-crown to one shilling per cent.; and, as far as I know, on every single transaction in our banks since that date, one shilling per cent. has been paid, although before the half-crown was never paid.

3888. That is a little beyond our point, I think; our point is with regard to the effect of the Bill on banking business?—Yes. I will not say anything more upon that. I refer to it to show the reluctance of our customers to pay anything but a nominal charge.

Mr. *John Ellis.*

3889. You consider that the deposit of deeds fulfils those requisitions which you stated to us, viz., promptitude, security, nominal cost, and secrecy?—Certainly.

3890. Now will you pass to the representation you made to the Lord Chancellor with respect to the Bill?—We had a deputation to the Lord Chancellor, and to our great astonishment he told us he thought we might trust to the honesty of our customers and to the deposit of a document which was not necessary to a transfer.

3891. I ought to have asked you why did you go to the Lord Chancellor?—We went to the Lord Chancellor because we saw that this Bill would upset our business. We then induced the Lord Chancellor to see the difference between a document which was necessary for a transfer and a document which was not necessary for a transfer, and he very kindly has put Clause 14 in the Bill. It is with reluctance that we raise any further question, because we appreciate the concession, and, unless it was absolutely necessary, we should not think it our duty to object to it. But consideration of the clause since it was placed before us has led us to think that it would be impossible for us to work our business under that Clause 14, and I will endeavour very briefly to say why. In the first place, a man might come to us with a land certificate. We should have to say to him: "You must go and get a deposit certificate." The promptness is gone; we could no longer by the same night's post pay his acceptances or his cheques. If it was sent by post it would take, allowing the very least possible amount of time, two posts; and we do not believe, from the evidence that we have had, that we should get the deposit certificate in anything like that time, and if there was the least hitch in it the delay might be a week, or it might be even more. Therefore, as regards the elements of promptness, upon which our action is dependent, we do not see how it could be secured with the deposit certificate. Now supposing the deposit certificate were obtained, and a man came to us with his deposit certificate, if that deposit certificate had upon it any sort of complication, a caution or anything of that kind, as I understand the Bill we should have to make our inquiries, which, again, might take a week or a fortnight, or even more. There might, for instance, be an old charge which had not been removed, and it might take a month to get the charge removed. At any rate, we feel that the deposit of the deposit certificate would not give us the promptness, and, what is more

Mr. *John Ellis*—continued.

important even than that, it would not give us the security we require, because, at present, on seeing the deeds, we judge whether they are such that we can make our loan from the information which the deeds give. In nine cases out of ten those deeds contain within their bundle the whole of the information that is necessary to enable us to judge whether it is safe to lend the money upon them or not, and we lend money upon them or not according to whether they satisfy us or not. If they do not satisfy us, we do not lend the money; if they do satisfy us, we do lend. Now the chief points about information are these: In the first place, as I understand it, the deposit certificates will contain only what the land certificate has upon it. If that land certificate is such as has been shown to us, it practically contains nothing but a brief description of the land, with a plan. Now we could not judge the value of property, unless we happen to know it, by a plan. The first question we ask a man is, "How much did you give for it"? The deed gives us that information and not only so, but it gives us information, as to whether he has borrowed upon it, and whether the mortgage has been paid off. Supposing he has borrowed 1,000*l.* upon it, and it has been paid off, that is a very good argument for us to lend 1,000*l.* upon it. But without the whole of the information that is contained in the deeds being brought before us, it practically would be almost impossible, with the same facilities that we have now, to make these prompt advances which we are now in the habit of making. Now if the title should be perfectly simple, the land certificate or the deposit certificate being clear from any caution or anything of that kind after we had got it, might give us the necessary security 20 years hence. But for the present, as I understand it, we shall always have to look into the back title; we shall still require the deeds for the present, and therefore if it was merely a question of the moment, it might be that we might get our information in that way; but after the 20 years has run out, and after any transfers that had taken place upon the register in that interval have been made, there would be no deeds to bring to us. When I say no deeds, I am speaking simply of the legal estate and of perfectly simple transactions. We should then be deprived of the information that we shall get in the first few years of the making of the registry; because the deeds up to that time will be obliged to be brought before us. But when the case is not a perfectly simple case, and when, as very often happens, there is an equity attached to it, then we require to know what that equity is in order to avoid fraud. It is, therefore, very possible that we may hereafter require the deeds conveying the knowledge as to what the equitable title is as well as the land certificate on the register. I will just put one case. Supposing a person is on the register as registered owner, but he is a trustee, what amount of information are we to receive before we can tell whether we ought to lend him money or not? Is there no such thing as culpable carelessness which would make us liable as regards the trust, if we had in any way notice of it, or if we had not been

Mr. *John Ellis*—continued.

been sufficiently diligent in finding it out. So, again, where there are two persons' names upon the register, are we to assume that because there are two persons on the register therefore they are trustees? A great many points suggest themselves to us which may make it necessary for us always to go into the equitable title as well as the legal title. Then, again, there are a large or a considerable number of cases where it is not at all clear that you can get the deposit certificate. If a person is a tenant in common, if he only has a share in the estate, how can he bring the deposit certificate of the whole estate? I do not see in the Bill anything that would help us to get the deposit certificate of his one-third part or his one-half part. So, again, in the case of a remainder, there may be a life interest, and we may want to lend upon the remainder after that life interest. How are we to get the deposit certificate with regard to that? The long and short of it is, that we are not convinced that by the Lord Chancellor's amendment of Clause 14 we shall have the information; in fact, it seems to us that we shall not have the information which enables us to make these loans as promptly as the public require. I would point out that it is not simply a bankers' question, because these loans are loans to traders, and it is the traders who will be inconvenienced if the bankers cannot lend them the money. The figures that I have already given, showing that out of 206 cases 123 were for 500*l.*, or under, show how small in many cases those transactions are; 84 out of that number are under 250*l.*; and we have a very large number of cases of 100*l.*, and even down to 50*l.*, 40*l.*, and 20*l.* Then I ought to say that, in addition to the loans that are made on that simple document which I have handed in, or a document of that simple description, there are certain banks, chiefly joint-stock banks, who on their memorandum of deposit take the legal estate. They are in a different position slightly, I think, from what we are, relying as we do simply on the equitable deposit. I am not quite sure whether it will be possible for them to continue that. If the legal estate is on the register, how can they have it by the clause in their document conveying the property to them? I fail to see how the legal estate could be in two places. I think, therefore, their present practice might come to an end.

Chairman.

3892. I do not understand your point; the bankers you speak of now take the legal estate?—They take the legal estate.

3893. If so, they must take it by deed?—Their document is a deed; but it is a very short printed deed. They can no longer do so if this Bill becomes an Act, I think.

3894. They could then take it only by transfer on the register?—Quite so. Therefore that system must come to an end. The National Provincial Bank of England use very largely a form of transfer that conveys the legal estate. If this Bill becomes law, can they continue to make loans of that description taking the legal estate?

Mr. *John Ellis.*

3895. Those are rather more special questions than cases coming within your own experience?—I am unfortunately in the position of representing joint-stock banks as well as my own.

Chairman.

3896. Pray do not suppose that any Member of the Committee wishes in any way to shorten your evidence upon the subject. The only point Mr. Ellis was making was, that you are rather propounding to us legal difficulties than banking difficulties. You think it would be a banking difficulty if that were the legal result; that is what you mean, I suppose?—Yes; I mean that it is very doubtful whether those banks could continue their present mode of procedure, and if they could not, it opens a very serious question for them.

Mr. *John Ellis.*

3897. I understand these are all difficulties which present themselves to your mind as a practical banker, speaking in your representative capacity, as to how you would transact this particular portion of your business if this Bill became law?—That is so. We have come very much to the conclusion that without great amendment of the Bill it would very seriously interfere with our business.

3898. That is what you wish to say to the Committee?—That is what we wish to say.

3899. Is there any other point in your examination in chief you would like to mention?—No, I think not; I do not wish to take up the time of the Committee.

Chairman.

3900. Do not curtail anything you think it desirable the Committee should know from the point of view of the banking interest, because we wish to hear anything you desire to say?—There is one thing which I think I ought to mention, and that is with regard to the cases where we do lose money on our equitable security. Where we do lose money is, I think, almost exclusively where the deeds which are brought to us represent property, part of which has been sold. We think that might very easily be cured by making it compulsory to make an indorsement upon the deeds of any sale that has been made. With that exception I do not recollect in my own bank a single instance in which we have suffered from taking an equitable charge such as that. Then with regard to forgeries, of course we are always open to forgeries, both of deeds and everything else. Taking such a case as I believe has recently happened, where there was a forgery of duplicate deeds and those duplicate deeds were lodged with different banks, as the provision as to insurance in the Bill now stands, whilst it would give the true owner the property or compensation and would give the man who was on the register compensation, I do not see that it would give the equitable holder of a forged deposit certificate compensation. I will merely say that there are very great doubts, according to the opinion we have taken, as to how far our security would come in at all under the insurance provision. But I think, where there is fraud of that kind, certainly a third party, who was neither the true owner nor the man on the register, would not be helped.

Mr. *Bolton.*

3901. You come here on behalf of the Association of English Country Bankers?—Yes.

3902. Is that a correct list of the bankers connected with your Association (*handing a document to the Witness*)?—Yes, it includes nearly all the country bankers in England, and it also represents the very large London banks who have branches in the country.

3903. Will you hand that document in?—Yes. (*The same was handed in.*)

3904. You are reasonably satisfied with the present system of holding property by deeds and transfer by deeds?—There could be nothing more convenient to us than the system of lending on deposit of deeds.

3905. You are satisfied with the present system which prevails with regard to title by deeds?—Yes.

3906. Therefore you are opposed to the change proposed by this Bill?—Yes, as representing the bankers. The bankers felt that it was not proper for them to go into the abstract question of whether land transfer by register was good or not; I represent here simply the point that I have put, namely, as regards the way it affects bankers and their customers.

3907. Naturally you do not wish to go beyond that?—No.

Mr. *Tomlinson.*

3908. One of your objections to the proposed system is that it would interfere with dealings in the way of deposit of deeds?—It would.

3909. One important element, I suppose, in that, is that these are very often temporary transactions, perhaps only for a few days, it might be, in the case of temporary emergencies?—Yes.

3910. You consider that the more formal procedure under this Bill is not adapted to such temporary operations?—Quite so.

Mr. *Warmington.*

3911. As to your statistics with regard to the deposit of deeds, do they include all the business done by bankers on the deposit of certificates of shares?—No, not at all.

3912. It is separate from that?—Entirely separate. We do occasionally lend on the deposit of shares. In the case of any large sum we should have those shares transferred into our names.

3913. The figures you have given do not include those?—No.

Mr. *Tomlinson.*

3914. They would be protected by a blank transfer?—By a real transfer.

3915. Which you would keep?—Yes.

Chairman.

3916. As I understand, you wish to confine your evidence to the question of the operation of this Bill as it stands, upon bankers?—Yes.

3917. Including the operation of the 14th Section of the Bill?—Yes.

3918. Will you tell me this: we had evidence from the Lord Chancellor, and I gathered from

Chairman—continued.

him that he had found that the 14th Section, as proposed, had met the views of the bankers. He said in his evidence, in speaking of the position of the bankers: "So far as I can tell they are generally satisfied with the provision; I know many of them are, and I believe that is the general view"?—I think the Lord Chancellor got that impression from private conversation; it certainly was not officially from the Bankers' Association.

Mr. *John Ellis.*

3919. Yours is official?—Mine is official.

Chairman.

3920. They passed a resolution, I suppose?—Yes.

3921. Have you got a copy of it?—I have not got a copy of it.

3922. Will you send it to the Committee?—Yes, I will get it and send it. The two points were, the difficulties with regard to information, and the difficulty with regard to cost.

3923. As regards the difficulty with regard to cost, that would depend upon what the cost was at the Land Registry?—Quite so.

3924. Supposing the cost at the Land Registry were made nominal, that point would disappear; would it not?—I am afraid it would not disappear, because if a customer wants say 500*l.*, he now pays 5*s.*; if we could not get the deposit certificate without employing a lawyer that will all be additional.

3925. I see what you mean; that is because a deposit certificate would have to be got instead of the land certificate?—Yes.

3926. Supposing the land certificate were made to answer the purpose of the deposit certificate, and there was only one form of certificate, then supposing the cost was made nominal that objection would disappear, would it not?—It would, probably, I think.

3927. I do not ask you to bind yourself conclusively; I am only asking your general view. Then you said that you might have some old charge or caution on the register?—Yes.

3928. Of which notice would be given to you by its presence upon the register and upon the certificate; you said you might be affected in a particular case of that sort?—Yes, in the matter of promptness.

3929. You mean that if you had before you the deed itself which created the old charge, you might be able to see whether it was worth while to inquire further or whether the old charge was valueless?—Yes.

3930. Whereas if you merely saw that there was an old charge, although it might be of no importance you would not know that it was of no importance?—That is my point.

3931. So that supposing you could have the same facility for obtaining the rough-and-ready information upon which you now act under the new system as well as under the old, it would be satisfactory so far as that point is concerned?—Yes, only we see by the deeds the whole title and all that kind of thing.

3932. The value is another point. I am speaking now about the security of the title, whatever

Chairman—continued.

whatever the property may be worth; you think under the present system of deeds you can get a bird's-eye view of what the true value of the security is?—Yes.

3933. That is to say you can get at the true merits of the security, which you do not think you could get by means of the land certificate?—Not unless it contained the same information.

3934. You mean not merely notices, but detailed information with regard to the charges?—Quite so.

3935. That is your point?—Yes; the notice is no use to us if we are to act promptly, because it may mean weeks before it is cleared away.

3936. I see what you mean; you also want to know from the deeds what is the amount of money that has been paid as corroboration of what is stated by the customer to be the value of the property as security for the sum that he wishes to raise?—Yes.

3937. That is the substance of the difficulty upon that point?—Yes.

3938. You said something about another matter: you said "If people were on the register as trustees," and then you put a case. You are dealing there with a point of law upon which I suppose you do not wish to give evidence, as to whether they could be entered upon the register as trustees under the Bill?—I know they cannot, and that is just the point I am putting. We might know they were trustees or we might be put upon our guard.

3939. Upon a question of law everybody must trust to experts, I suppose you would admit?—Yes.

3940. You are apprehensive that you might be affected with notice notwithstanding that the property was upon the register, and your security impaired by notice you might receive *aliunde*?—Yes.

3941. You would require to be satisfied upon that, unless we could give you assurances upon the point?—I may say in the little experience which I have had in these transactions of fraud, it is the *suppressio veri* which we have to guard against. A man will bring a deed that looks perfectly right, and he says nothing; but you may find out, by asking him a few questions, that it is not what it represents. That is what we fear more than anything else.

3942. Under the present system you are liable to that?—Yes.

3943. Supposing you have the case of a man with an absolute title coming with a land certificate to the effect that he was the absolute owner, you would be sure you were free from that danger in his case?—It would not be a certificate that he was absolute owner apart from any trust; he might still be a trustee.

3944. That shows the disadvantage of my entering with you upon a question of law, because, in point of fact, if you have an absolute title, on getting a transfer of that title you would not be affected by trusts; however, I will not enter upon that; upon the point of tenants in common, you think that tenants in common can now be entered upon the register?—Together.

3945. As joint tenants?—Yes.

3946. Would you like to see them entered as

Chairman—continued.

tenants in common?—I was not thinking of the distinction between tenants in common and joint tenants; I merely mean that we sometimes lend on a fifth share, or a third share, which belongs to our customer.

3947. You do not get the deeds in that case?—We may or may not.

3948. In most cases you would not?—In that case we should see where they were and act accordingly.

3949. Do you think there would be more difficulty in dealing with such cases on the register than on deeds; I do not myself see how there would?—We could not do it by way of the deposit certificate, I think.

3950. Do you know about the system prevailing in Australia?—No.

3951. There are bankers in Australia with considerable experience?—I daresay there are.

3952. Have you learned from them in any way their experience as to the working of the system in Australia in regard to deposits with bankers?—I have not.

3953. The matters you have called attention to indicate the points upon which you are afraid Clause 14 of the Bill will interfere with your business?—Quite so.

3954. You said that when a man was a remainder-man he would not have a deposit certificate?—Yes.

3955. Of course he could not; but a remainder-man now does not have the deeds, does he?—No, I suppose he has not.

3956. Is it not the same thing then; whoever has the deeds would have the deposit certificate, and the question is as between the relative value of the deposit certificate and the deeds, is it not?—Yes; but our lay minds are very much exercised by the difficulty we have in coming to any conclusion as to how our equitable interests would be involved. We take the equitable security in such a case as that, and supposing someone else got on to the register behind our back, we do not know whether we should be in the same position as we are in now.

3957. You are apprehensive as to what the effect would be; supposing you take an equitable security by a deposit of the land certificate or the deposit certificate, and supposing you give notice by writing a letter or sending a messenger across to the registry in order to enter a caution against further dealings, is it upon the effect of that you have doubts?—No. The doubts are these: when a man is not on the register and therefore cannot bring his deposit certificate, the doubt is whether we shall be left in exactly the same position as we are now. We may be wrong, but we have a suspicion that if, by any means, another person gets upon the register he prevents our getting upon the register at any future time.

3958. I do not quite apprehend what you mean; would you give some concrete illustration?—To take a case that often happens, supposing a man brings us the probate of a will, and he shows us that he is entitled to such-and-such a property, subject to, say, his mother's life interest, we take simply an equitable charge on that; we strike out the words in the form as to the deposit of the deeds, and we say, "I do charge my interests in

such

Chairman—continued.

such will." Now, our doubt as I say, which is a lay doubt, is whether, after this Bill is passed, we shall be in the same position as regards the protection of our equitable charge upon that property which at the present moment cannot be put upon the register, in case somebody else comes and puts it upon the register.

3959. I understand in the case stated you take an equitable charge upon the remainder?—Yes, or any equitable estate.

3960. An equitable charge upon the remainder is the case you put?—Yes.

3961. Under the present circumstances, what do you apprehend your legal position to be; that you could be ousted by the transfer of the legal estate in that remainder or not?—If, for instance, the owner of the first estate being on the register, can transfer it to another person on the register, that person having got upon the register without notice of any fraud might oust us.

3962. If I rightly understand you, you are speaking of the case of a tenant for life being on the register?—Yes.

3963. And there being a remainder subsequent to the interest of the tenant for life?—Yes.

3964. You are apprehensive that the tenant for life may dispose of the land without notice to you?—Yes.

3965. You are not sure whether, if you were to give notice by putting a caution upon the register, your interest would be protected as well as it is now; is that your point?—I was not considering the question of a caution, because a caution is an additional expense.

3966. As a matter of fact, those are legal questions and legal difficulties that you are putting?—They are.

3967. I am not sure I apprehend rightly all of them, but they are legal difficulties and legal questions. If any concrete case arises about which you have apprehensions, if you would be good enough to let me know, I would look into the thing and see if there is a legal difficulty. At present I do not think there is. I am afraid you have been a little frightened by your solicitors?—It is not so at all. What has frightened us is the extreme difficulty of getting to know what the Act means. We have the Act of 1875, we have the Bill of 1895, we have the Orders, and we have the Instructions, and to my lay mind it is almost impossible to come to a conclusion upon some of those points.

3968. You mean as to what the real legal effect is?—Yes, upon our equitable title.

3969. At all events, I gather you do not feel safe under Section 14?—Quite so.

3970. With regard to the points you have put, or if there are any other difficulties as to which after deliberate reflection you think you would desire to supplement your evidence by suggesting any further criticism, I think the Committee would be very much obliged to you. You could do it more deliberately in that way, perhaps, than in the form of question and answer?—Yes.

Mr. *John Ellis.*

3971. As I understand, you wish your evidence to be from the practical banking point of view?—Quite so.

3972. Not so much from the legal aspect?—Yes; but to us it is of immense importance that our interests from the legal point of view should be protected.

Mr. *Bolton.*

3973. You mean to say you have difficulty in understanding all these Acts of Parliament and Orders and Instructions, but you do understand the system as it exists at present?—Certainly. I have given my evidence to-day very hastily. I am a private banker, and if the large joint-stock banks are not satisfied with the evidence I have given, I think they would be almost entitled to have (as they intended to have) their representative here also.

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APPENDIX, No. 1.

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LAND TRANSFER BILL, 1895.

REPORTS and Returns obtained by the Incorporated Law Society (U.K.), with reference to the Cheapness and Expedition of small Conveyancing Transactions.

REPORTS and Returns obtained by the Incorporated Law Society (U.K.) in 1893 from Provincial Law Societies, showing the Expedition and Cheapness with which small Conveyancing Transactions (not exceeding 300*l.*) are carried out under the existing system of Conveyancing.

REPORTS.

The Berks, Bucks and Oxfordshire Incorporated Law Society.

SINCE the recent Conveyancing Acts, conveyancing business, at all events, in country districts, can be, and for the most part is, carried out with celerity and precision at small cost and with little or no friction.

Many of the members of this society have had practical experience of the systems of registration under the Acts of 1862 and 1875, a large estate in the neighbourhood of Reading having been registered under the former Act, but in dealing with this estate it was found that the system gave rise to so much expense, trouble, and delay, that in many instances where portions were sold the titles were taken off the register by purchasers.

The Birmingham Incorporated Law Society.

On 25th April a circular was sent to all the members of the society, requesting certain details as to conveyancing transactions, with a view to show the expedition with which such matters are effected under the existing system, and the frequently small cost involved. The return asked for extended to transactions between 1st January 1890 and the present time. Time being of moment, a reply was requested in the course of three or four days, and this accounts for the fact that a larger number of returns was not received. It cannot be too strongly urged that the transactions referred to below are extremely few as compared with the far larger total which would represent the conveyancing business of this city alone during the special period named. Many of the offices which have responded to the appeal have stated that their return includes only a very few matters, taken haphazard, and that time has prevented their attempting anything approaching to a full statement.

Forty-one offices have sent in returns of small transactions, and giving particulars of the time occupied and the cost involved in the carrying through of these various matters.

Time.—It is difficult to give any definite average as to the time occupied, but, speaking generally, in the vast majority of cases it has varied between a few days and a month or six weeks; while in several instances the instructions have been given and the matter completed on the same day.

It has always to be borne in mind when considering this branch of the subject that in by far the greater number of cases completion of a sale or purchase could, as far as the purely legal part of the transaction is concerned, take place within a comparatively short period after instructions are received; the delay, when there is any, is almost invariably caused by the necessary arrangements which have to be made by the client for obtaining the money to pay for his purchase. Frequently the requisite amount is not at call, but notice has to be given before it can be obtained; or again, an investment has to be realised or a mortgage called in, all of which proceedings involve an expenditure of time for which the solicitor concerned is in no way responsible. And even in the case of sales by auction the same consideration applies, for the vendor is, as a rule, obliged to allow a reasonable time for completion in order to suit the possible convenience of a purchaser who might otherwise be deterred from bidding.

Cost.—

Cost.—On the subject of cost the following summary will afford some general idea as to the result of the inquiries instituted:—

Amount of Consideration.	Average Cost, excluding Stamp.
£.	£. s. d.
100	2 10 5
200	3 11 2
300	4 4 6

To these figures must be added the *ad valorem* duty of 10*s.* per cent. for purchases and 2*s.* 6*d.* per cent. for mortgages to obtain the total cost. While the above is an average for the amounts specified, the returns also clearly show that in very many of the small transactions, say of from 150*l.* to 300*l.*, the cost, exclusive of the stamp, is less than 1 per cent. Doubtless these are special cases, but they at least prove that where circumstances require it the present system can be, and is, adapted to meet them.

One Birmingham firm has furnished particulars of 178 small transactions completed within the year 1890, and in which expedition and cheapness are specially exemplified. Most of these matters were carried out within three or four weeks, and some within a few days of the instructions, at an average cost seldom exceeding, and frequently less than, 1 per cent. and the stamps.

Another firm has given the following details respecting an estate divided into small building lots:—

"Instructions received 15th August 1892, for 98 conveyances and 72 mortgages, the consideration varying "from 45*l.* to 240*l.* The whole ready for completion by 9th September; actual completion as follows: "One on 28th August; three on 31st August; one on 9th September; 10 on 10th September; 12 on "12th September; nine on 13th September; and the remainder during September and October."

A similar instance is thus mentioned by another firm:—

"Another case is that of a building estate, consisting of small plots (purchase money usually under 100*l.*), "for which we draw and complete the conveyance on payment by the purchaser of two guineas and the "stamps, irrespective of the amount of the purchase money."

It is submitted that the statistics contained in this Report incontestably show that, in this district at least, small transactions are commonly effected with a dispatch and at a cost which could hardly be attained, much less surpassed, by any plan of title registration.

The Bristol Incorporated Law Society.

In small cases, especially in the conveyance of house properties of small values, which form the great bulk of conveyancing, it is difficult to see how the fees and costs payable under the proposed scheme will not exceed the present average cost for the transfer of such property.

Under the present system of conveyancing sales and purchases with or without mortgages are carried out with great dispatch and at comparatively small cost in this district. Application has been made to a few firms in Bristol, who have an extensive practice in small dealings with land and house property, and the result of such application is given in the schedule annexed. The Committee wish to point out that, as regards the time between the receipt of instructions and the date of actual completion in sales by private contract, the vendor and purchaser in these small transactions almost universally arrange this themselves, while in sales by auction the time affixed for completion is generally from a month to six weeks from the date of sale.

The Herefordshire Incorporated Law Society.

I enclose particulars of transactions in connection with dealings with land collected from different members of the Society, which might be multiplied almost to any extent, but which suffice to show the kind of transactions which it would be impossible to carry out either so speedily or so cheaply through any registry.

With reference especially to the securities given to banks, it will be obvious that, both as regards small advances made either through solicitors or by banks, and also as regards sales and purchases, that if the parties have to attend at a registry time must be wasted, and there would be none of the inducements to officials at a registry to afford special convenience as regards speed that there are to members of the profession, who more or less compete with each other, so that any solicitor who is known to dawdle or cause delay would soon cease to have much practice of this sort, and the charges in many cases include not merely the legal work but discussions as to value, negotiations, and the like, which must be paid for under any system of registration, so that whatever fees were charged by the registry would be in addition to the charges now made, and which would seldom be reduced.

I may add that as regards loans the necessity for registering these transactions would certainly tend to publicity, for I do not believe that in small districts any rules will prevent the clerks disclosing what they know; but even if they did not, small landowners, who are very touchy on such points, would believe that they did make disclosures.

I may point out, too, that where the transactions are to be carried out at a distance from the registry, journeys, correspondence, and the like that will be necessary must cause delay and expense, while the multiplication of registries, such as the establishment of one in every town, would tend to confusion, and would be a greater evil than the cost of correspondence and journeys.

Herts Law Society.

It is frequently the practice in this neighbourhood for conveyances to be completed with only one day intervening between the day when the instructions were given and completion. The costs in small matters amount sometimes to one guinea and sometimes to two guineas. With reference to mortgages, the banks frequently send round bundles of deeds to be advised upon by their solicitors. Their advice is often given upon the same day as

the deeds are received, and the advance upon equitable deposit is made upon that day. It is the custom for solicitors to make advances on statutory mortgages. In small matters he charges one guinea for the transaction, which does not occupy more than half an hour. Free conveyances are getting very general in this neighbourhood. The vendor agrees with his solicitor to pay a contract sum for all the conveyances on his estate. Where he pays so much for each conveyance it is very often one guinea each.

The Leeds Incorporated Law Society.

I send returns from this town. I am informed by a firm of solicitors with a very large conveyancing business in this town, and who register on an average between 200 and 300 documents at Wakefield per annum, that their calculation is that their average remuneration for the preparation of mortgages and conveyances amounts all round to about 1 per cent. and costs out of pocket.

Leicester Law Society.

In reply to your circular, we act for two land societies, in one of which the purchase money for each lot amounts to 34*l.*, and our charge for the conveyance (including lithographed abstract of title) is 2*l.* 7*s.* 6*d.*, and the matter can be completed at two days' notice. In the other society the price of the land is from 50*l.* to 60*l.* a lot, and the charge for the conveyance is 2*l.* 2*s.*, and stamp and parchment.

The Norfolk and Norwich Incorporated Law Society.

1. Leaving out of consideration large estates and estates laid out for building purposes, it is quite the exception for conveyances of property in Norwich and Norfolk to have plans put upon them, and in investigating title the question of identity is determined solely by reference to the descriptions in the several title-deeds. Even in the excepted cases the plans are not, as a rule, reproduced on subsequent dealings with the properties to which they relate. At least three-fourths of the whole of the conveyances are carried through without reference to plan. Owners object to the expense of plans and surveyors' fees, and it is obvious that plans not accurately prepared would be not only misleading, but worse than useless.

2. Under the Land Transfer Bill, 1893, a plan would appear to be necessary in every case of transfer. Having regard to the preceding paragraph of this report, it will be seen that this must necessarily entail not only much delay but heavy expense, especially in the country districts, where there are no local surveyors; and in small transactions the expense would be altogether out of proportion to any benefit derived. The tithe maps and maps attached to inclosure awards are notoriously unreliable, and the ordnance map is insufficient as regards ownership, because the measurements of fields are taken to the middle of fences.

3. Having regard to copyhold tenure prevailing in Norfolk, in which there are several hundred manors registration under the Bill would involve difficulties almost insurmountable. The descriptions of copyholds on the Court Rolls are antiquated and extremely vague. Very many properties are partly freehold and partly copyhold, often held of several manors. In the large majority of cases the copyhold parts cannot be distinguished from the freehold parts, and it is impossible to accurately define the position of the copyholds except by arrangement with the lord of the manor. The registration of the freehold parts of a property would necessitate the definition of the copyholds, involving an unknown expense and great delay to the owner.

It is further observed that, under the present system, upon the death of a copyhold tenant the fines and fees consequent upon admission may, as a rule, be saved by means of a bargain and sale. The Land Transfer Bill, by Section 6, apparently takes away this benefit.

4. The experience of those who have had numerous dealings with public bodies, such as Charity Commissioners and Government Departments, proves that the official system involves very serious delays. No such delays occur in dealing with large insurance offices, because there is a healthy competition.

5. Bankers in Norfolk and Norwich frequently make advances to customers on deposit of deeds, without expense beyond the stamp on the memorandum of deposit, which is 1*s.* per cent. The advance in such cases is often made at once, or within a few hours; whereas, if the registry had to be resorted to, both expense and delay would be inevitable. The system proposed by the Bill would seriously interfere with traders who, in the ordinary course of business, often require temporary accommodation at an hour's notice. In our experience as solicitors we are frequently called upon to, and do, make advances upon deposit of deeds at a moment's notice, in order to oblige clients. Such a course would be impossible under a system of registration.

6. The experience of those who have had dealings with registered titles in Norfolk and Norwich leads to the conclusion that registration tends to complication and delay, especially in cases where there are restrictive covenants, and the registration of mortgages and their subsequent discharge involve inconvenience and expense.

In Norwich itself only two registered titles are known to exist, both being building estates, to which registration has been deemed to be particularly applicable. One of these estates was registered under the earlier Act; but although the transactions therewith since the registration have been numerous (the estate having now been built upon), in every case, with one solitary exception, the conveyance has been carried through under the ordinary system, purchasers objecting to the cost, delay, and publicity of registration. The other estate was registered under the Act of 1875, and the owner finds such difficulty in dealing with his land consequent upon the objections of purchasers to the cost, delay, and publicity of registration, that he would be glad to remove it from the register if possible.

As a practical illustration of the effect of registration, a member of the committee mentions the case of a purchase of 60 rods of land for 327*l.* to annex to the garden of a vicarage. The land had been registered in 1876 by a firm as co-partners, and on the death of one of the partners the register was not perfected. The vendors threw the cost of perfecting the register on the purchaser, if required by him. The Queen Anne's Bounty authorities, who advanced money for the purpose of the purchase, insisted on the register being perfected, and this was done. The transaction, including loan from Queen Anne's Bounty, lasted from 20th March, 1889, to 6th October, 1890, and the costs amounted to 62*l.* 8*s.* 4*d.*, the greater part of which was incurred by the difficulties arising from the registration.

7. Under the present system sales and purchases of property in Norfolk and Norwich can, as a rule, if necessary, be carried through by local solicitors in a few days, as the titles are more or less known. In many of the country districts

districts the local solicitor is well acquainted with nearly every title in the neighbourhood. Under the Land Transfer Bill longer time would be occupied, and the expense would be heavier, while transactions would have to be completed on the spot where the district registry was situate.

8. In this district in the majority of cases the same solicitor acts both for mortgagor and mortgagee, and mortgages are frequently carried through within a day or two from the date of receiving instructions.

The Gloucestershire and Wiltshire Law Society.

Subjoined is a summary of actual transactions completed by the members of the Gloucestershire and Wiltshire Law Society. The particulars of these cases have been communicated by the solicitors concerned, whose names and addresses can be furnished to the Lord Chancellor, and the facts verified if necessary. The cases are typical cases, illustrating what is the usual practice. They relate to small transactions, in which the purchase money varies from 5*l.* to 550*l.*, and are communicated by 13 solicitors practising in different parts of the counties of Gloucester and Wilts.

It will be seen that in many cases the vendor has been put to no expense whatever. This is explained by the circumstance that vendors in small cases frequently hand their deeds to the purchasers' solicitor, who examines the original documents without an abstract.

It will also be seen that the time occupied in completing the transaction is usually but a few days. Indeed, these small cases are sometimes completed on the same day on which the instructions are given, so that the parties make but one attendance.

Under a system of registration this facility for prompt completion would be impossible. Many of the small towns at which country solicitors practise are at a considerable distance from the towns which would be likely to be selected as registry towns in the event of a system of compulsory registration being established. This fact in itself would make it impossible to complete transactions so expeditiously as at present. The title is now evidenced by a bundle of deeds which can be taken by the vendor to the solicitor's office and then and there examined, and the state of the title ascertained. Supposing the property to have been registered, it would be necessary to search the register. This would involve a journey by the solicitors to the registry, or the employment of an agent at the registry town; or, if a system of official searches were established, there would be the delay caused by correspondence, and by the search having to await its turn for official attention. The experience of the Irish registry shows that very considerable delay may often arise before the official search can be completed, and the certificate of result obtained. Then, when it has been ascertained that the title is clear, the transfer has to be prepared and signed, and even then it will not be safe to complete the purchase until the transfer is registered. Having regard to the distance of the parties from the registry, and to the consequent necessity for travelling or correspondence, there must, therefore, be still further delay. It must be obvious that, if solicitors are to be employed, all this additional work of searches, journeys, and correspondence would involve additional expense.

It may be observed that the parties concerned in the smaller transactions are usually working men or persons engaged in their own business, and unable to leave their homes to travel to the registry. Moreover, even if they could do so, they would be unable without some expert assistance to appreciate the result of a search of the registry, to determine the necessary parties to the transfer, or to prepare the instrument of transfer. It would result inevitably that some kind of agent would be resorted to, and the direct tendency of the registration system, introducing, as it would, a new expense for office fees, would be to tempt the parties to small transactions, to resort to unqualified and unfit agents, under the impression that they would be cheaper. Such agents would not be subject to the summary control of the court as solicitors are, and there would be great risk of fraud and malpractices.

It should be borne in mind that in small transactions the solicitor is usually consulted, not merely with a view to seeing to the title and transfer, but in regard to price and incidental arrangements, and that the very moderate fees now charged, as illustrated by the subjoined table, cover also this work and responsibility. Under the registry system, such work would have to be paid for in addition to the prescribed expenses of transfer. There can be no doubt that the total cost under the present system represents the minimum of reasonable remuneration for the work done, and that by the establishment of a system of compulsory registration the total cost must be increased, however small may be the actual fees charged at the registry.

It should also be borne in mind that in the smaller transactions, arising as they frequently do out of dealings with small plots of land on building estates, there are often such matters as the grant or reservation of easements, restrictive covenants as to buildings, and other special matters to be attended to, requiring legal skill as well as care and accuracy to avoid confusion and litigation.

All that has been said as to the expedition and cheapness of the present system as regards transfers on sale is applicable also to mortgage transactions. Facilities for loans are now afforded which would be quite impossible in small cases under a system of registration.

In regard both to sales and mortgages, there is a large class of cases in connection with building and friendly societies in which even smaller fees than those shown in the table subjoined are charged under the special regulations of those societies.

RETURNS.

PART I.

CLASSIFIED RETURNS from all parts of England, except Birmingham (Part III.), and London (Part II.).

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	REMARKS.
			Instructions Received.	Business Completed.		
*		£. s. d.			£. s. d.	
7. Chew Magna	1892	5 – –	1 May	5 May	1 – –	
26. Taunton	1893	12 10 –	8 March	21 March	1 10 –	
8. Crewkerne	1892	18 – –	– November	– November	3 – –	
4. Bolton	1892	20 – –	15 January	19 January	1 10 –	
27. Taunton	1889	20 – –	– September	– November	1 9 6	
37. Hereford	1888	20 – –	– February	– February	2 2 –	
37. Hereford	1891	20 – –	31 August	– October	2 2 –	
37. Hereford	1893	20 – –	29 April	29 April	– 7 8	
29. Tiverton	1893	23 13 –	– April	– April	1 11 6	
8. Crewkerne	1891	25 – –	– March	– April	2 4 6	
10. Derby	1892	29 10 –	26 July	3 August	1 17 6	
16. Kingsbridge	1892	30 – –	– July	– July	1 6 –	
16. Kingsbridge	1892	30 – –	– July	– July	1 7 6	
16. Kingsbridge	1892	30 – –	– July	– July	1 7 6	
16. Kingsbridge	1892	30 – –	– July	– July	1 7 6	
28. Tavistock	1893	30 – –	21 April	26 April	1 6 –	
35. Axminster	1892	30 – –	29 December	13 Feb. 1893	1 3 6	
35. Axminster	1893	32 10 –	– January	9 March	2 – –	
17. Newcastle	1893	33 – –	27 April	28 April	– 16 9	
16. Kingsbridge	1892	34 10 –	– July	– July	1 6 –	
16. Kingsbridge	1892	34 10 –	– July	– July	1 6 –	
16. Kingsbridge	1892	34 10 –	– July	– July	1 6 –	
16. Kingsbridge	1892	34 10 –	– July	– July	1 6 –	
36. Great Torrington	1892	35 12 6	2 January	5 February	1 19 –	
16. Kingsbridge	1892	37 10 –	– July	– July	1 7 6	
16. Kingsbridge	1892	37 10 –	– July	– July	1 7 6	
16. Kingsbridge	1892	37 10 –	– July	– July	1 7 6	
8. Crewkerne	1891	40 – –	– August	– September	3 – –	
9. Crewkerne	1893	40 – –	– March	– April	5 6 3	
35. Axminster	1892	40 – –	23 July	26 November	2 11 6	
36. Great Torrington	1892	43 – –	26 March	5 May	2 2 –	
8. Crewkerne	1890	45 – –	– Dec. 1890	– Jan. 1891	2 9 –	
16. Kingsbridge	1892	45 – –	– June	– June	1 6 –	
16. Kingsbridge	1892	45 – –	– June	– June	1 6 –	
16. Kingsbridge	1892	45 – –	– June	– June	1 6 –	
16. Kingsbridge	1892	45 – –	– June	– June	1 6 –	
16. Kingsbridge	1892	45 – –	– July	– July	1 10 –	
16. Kingsbridge	1892	45 – –	– July	– July	1 10 –	
16. Kingsbridge	1892	45 – –	– July	– July	1 10 –	
16. Kingsbridge	1892	45 – –	– August	– August	1 13 4	
16. Kingsbridge	1892	45 – –	– August	– August	1 13 4	
17. Newcastle	1893	45 – –	15 February	21 February	2 10 –	
20. Newton Abbot	1892	45 – –	– June	23 June	3 5 –	
26. Taunton	1892	45 – –	– March	3 March	2 – –	
29. Tiverton	1893	45 – –	– March	24 March	2 1 6	
36. Great Torrington	1891	45 – –	16 October	24 October	2 10 –	
16. Kingsbridge	1892	49 10 –	– June	– June	1 6 –	
16. Kingsbridge	1892	49 10 –	– June	– June	1 6 –	
7. Chew Magna	1892	50 – –	23 June	30 June	1 – –	
11. Devonport	1893	50 – –	28 January	31 January	1 1 6	
17. Newcastle	1893	50 – –	11 April	12 April	– 14 3	
17. Newcastle	1893	50 – –	22 April	26 April	– 15 –	

* These numbers refer to the file of returns.

PART I.—Classified Returns from all parts of England, except Birmingham (Part III.), London (Part II.)—*contd.*

*	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	Remarks.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
24. St. Helens	1892	50 – –	3 August	4 August	1 11 9	
7. Chew Magna	1889	60 – –	11 October	– October	3 12 –	
7. Chew Magna	1892	60 – –	2 August	– August	3 3 –	
8. Crewkerne	1891	60 – –	– April	– August	3 13 –	
14. Frome	1893	60 – –	9 January	16 January	—	Costs not stated.
14. Frome	1893	60 – –	27 March	29 March	—	Costs not stated.
15. Kingsbridge	1892	60 – –	7 October	10 October	2 10 –	
16. Kingsbridge	1892	60 – –	– August	– August	1 13 4	
35. Axminster	1893	60 – –	20 January	25 March	2 10 –	
29. Tiverton	1892	63 – –	– June	24 June	2 – –	
27. Taunton	1889	65 – –	18 October	8 November	3 5 10	
8. Crewkerne	1890	67 – –	– December	– Jan. 1891	2 10 3	
16. Kingsbridge	1892	67 10 –	– July	– July	1 10 –	
4. Bolton	1892	70 – –	3 March	11 April	3 7 6	
35. Axminster	1892	70 – –	30 July	26 November	2 14 6	
37. Hereford	1890	70 – –	– November	21 November	2 12 –	
14. Frome	1893	74 – –	7 March	9 March	—	Costs not stated.
18. Newton Abbot	1893	75 – –	– January	25 March	3 – –	
35. Axminster	1892	75 – –	10 October	5 November	3 10 6	
5. Bolton	1893	80 – –	16 March	29 March	2 10 –	
10. Derby	1893	80 – –	14 February	12 March	2 10 –	
10. Derby	1892	82 10 6	13 September	4 October	3 15 6	
27. Taunton	1890	84 – –	24 October	10 December	3 13 4	
4. Bolton	1892	85 – –	21 April	28 April	4 – –	
4. Bolton	1892	85 – –	21 April	28 April	4 – –	
21. Pocklington	1892	85 – –	11 December	23 December	5 5 –	
37. Hereford	1890	85 – –	19 March	16 April	2 12 –	
17. Newcastle	1893	89 – –	22 April	26 April	3 3 –	
8. Crewkerne	1892	90 – –	– May	– May	4 – –	
19. Norwich	1893	96 – –	23 March	25 March	2 12 6	
3. Bideford	1893	100 – –	26 January	24 February	4 – –	
4. Bolton	1892	100 – –	22 January	1 February	3 8 –	
6. Bolton	1893	100 – –	9 February	15 February	1 1 6	
8. Crewkerne	1890	100 – –	– November	24 June 1891	4 – –	
8. Crewkerne	1891	100 – –	– September	– September	4 11 3	
8. Crewkerne	1892	100 – –	– November	– December	2 16 3	
15. Kingsbridge	1892	100 – –	22 October	22 October	11 4 6	
17. Newcastle	1893	100 – –	12 February	14 February	– 18 –	
17. Newcastle	1893	100 – –	10 April	12 April	2 9 6	
17. Newcastle	1893	100 – –	25 April	26 April	3 10 –	
23. Reading	1893	100 – –	29 April	29 April	2 4 6	
24. St. Helens	1892	100 – –	23 December	31 December	3 3 –	
24. St. Helens	1893	100 – –	– January	– January	3 3 –	
27. Taunton	1889	100 – –	23 October	30 October	1 17 4	
34. Rhyl	1890	100 – –	15 December	22 December	3 3 –	
36. Great Torrington	1892	100 – –	16 September	16 September	2 2 –	
37. Hereford	1889	100 – –	1 October	1 October	2 4 6	
37. Hereford	1890	100 – –	8 May	12 May	1 3 –	
37. Hereford	1892	100 – –	7 November	16 Jan. 1893	3 1 4	
8. Crewkerne	1890	106 10 –	– November	– Dec.	5 5 –	
23. Reading	1893	112 – –	25 February	27 February	3 17 6	
3. Bideford	1892	114 – –	2 November	21 November	4 10 –	
3. Bideford	1892	114 – –	10 December	14 December	4 10 –	
5. Bolton	1893	115 – –	19 March	13 April	3 10 –	
5. Bolton	1893	120 – –	26 March	29 March	3 10 –	
7. Chew Magna	1892	120 – –	13 August	29 September	4 – –	
10. Derby	1892	120 – –	30 June	12 August	4 5 –	

* These numbers refer to the file of returns.

PART I.—Classified Returns from all parts of England, except Birmingham (Part III.), London (Part II.)—*contd.*

*	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	Remarks.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
10. Derby	1892	120 – –	19 August	19 September	4 2 6	
11. Devonport	1892	120 – –	– September	– September	3 17 7	
22. Portishead	1891	120 – –	– April	24 June	3 10 –	
27. Taunton	1889	120 – –	– September	– November	3 3 –	
27. Taunton	1891	120 – –	29 July	21 August	3 15 10	
5. Bolton	1893	125 – –	16 March	29 March	3 10 –	
25. Teignmouth	1893	125 – –	– February	9 March	3 19 –	
36. Great Torrington	1891	125 – –	20 October	12 November	2 13 8	
36. Great Torrington	1892	126 – –	15 November	15 December	2 14 6	
36. Great Torrington	1891	127 10 –	14 September	30 Jan. 1892	2 10 –	
27. Taunton	1891	130 – –	– April	– May	2 8 9	
1. Ashburton	1892	135 – –	8 July	23 July	3 2 –	
4. Bolton	1892	135 – –	23 March	6 April	3 10 –	
31. Williton	1890	135 – –	1 January	18 January	3 8 9	
10. Derby	1893	136 – –	21 February	25 March	5 – –	
6. Bolton	1893	140 – –	9 February	16 February	4 – –	
6. Bolton	1893	140 – –	11 February	16 February	2 10 –	
11. Devonport	1892	140 – –	29 July	29 September	7 12 6	
36. Great Torrington	1891	140 – –	13 November	17 December	2 17 –	
19. Norwich	1893	148 – –	9 October	11 November	4 10 –	
1. Ashburton	1892	150 – –	18 June	24 June	3 3 –	
4. Bolton	1892	150 – –	27 January	26 February	6 5 –	
9. Crewkerne	1892	150 – –	– November	– December	13 16 6	
10. Derby	1893	150 – –	12 April	19 April	3 17 6	
14. Frome	1893	150 – –	20 March	27 March	—	Costs not stated.
24. St. Helens	1892	150 – –	23 July	29 July	5 – –	
27. Taunton	1889	150 – –	– September	– November	2 12 9	
27. Taunton	1890	150 – –	– December	– Jan. 1891	3 – –	
34. Rhyl	1892	150 – –	30 January	3 February	3 3 –	
34. Rhyl	1892	150 – –	1 March	11 March	3 10 –	
37. Hereford	1880	150 – –	– August	25 August	3 15 –	
26. Taunton	1892	155 – –	– March	– March	4 4 –	
27. Taunton	1889	155 – –	– September	– November	3 10 6	
29. Tiverton	1892	155 – –	– March	24 June	5 16 6	
19. Norwich	1893	160 – –	17 March	27 March	4 3 –	
21. Pocklington	1891	160 – –	1 December	9 Feb. 1892	5 10 –	
28. Tavistock	1893	160 – –	16 February	20 February	2 5 –	
10. Derby	1892	164 8 –	22 September	3 October	5 17 6	
4. Bolton	1892	165 – –	7 March	4 April	5 10 –	
19. Norwich	1890	165 – –	20 March	28 March	4 2 –	
19. Norwich	1891	165 – –	20 July	25 August	2 2 –	
17. Newcastle	1893	170 – –	13 March	14 March	4 – –	
17. Newcastle	1893	170 – –	19 April	21 April	4 – –	
24. St. Helens	1893	170 – –	7 February	16 February	4 – –	
3. Bideford	1893	175 – –	27 February	27 March	4 – –	
27. Taunton	1889	175 – –	– November	– November	4 7 6	
15. Kingsbridge	1892	180 – –	22 March	25 March	3 4 6	
27. Taunton	1890	180 – –	17 April	26 April	2 10 –	
1. Ashburton	1892	185 – –	16 July	30 July	4 3 –	
19. Norwich	1891	190 – –	14 May	8 June	1 11 6	
19. Norwich	1891	190 – –	24 July	26 August	1 11 6	
27. Taunton	1889	190 – –	– September	– November	3 14 9	
26. Taunton	1891	195 – –	10 December	25 Jan. 1892	3 15 –	
36. Great Torrington	1891	195 – –	21 October	23 October	2 2 –	
36. Great Torrington	1892	195 – –	23 January	26 March	2 15 –	
1. Ashburton	1892	200 – –	8 July	22 July	3 10 –	

* These numbers refer to the file of returns.

PART I.—Classified Returns from all parts of England, except Birmingham (Part III.), London (Part II.)—*contd.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	Remarks.
			Instructions Received.	Business Completed.		
*		£. s. d.			£. s. d.	
3. Bideford	1893	200 – –	22 March	28 March	4 10 –	
6. Bolton	1892	200 – –	29 August	3 October	1 14 –	
6. Bolton	1892	200 – –	29 August	3 October	1 2 –	
6. Bolton	1892	200 – –	3 October	10 October	4 – –	
8. Crewkerne	1892	200 – –	– May	24 June	6 – –	
17. Newcastle	1893	200 – –	6 February	7 February	4 5 –	
19. Norwich	1892	200 – –	3 October	10 October	2 2 –	
23. Reading	1893	200 – –	10 February	18 February	5 – –	
24. St. Helens	1893	200 – –	– January	5 January	4 – –	
24. St. Helens	1893	200 – –	7 February	8 February	4 – –	
26. Taunton	1891	200 – –	5 October	15 October	3 13 4	
26. Taunton	1889	200 – –	– September	– September	3 15 3	
27. Taunton	1891	200 – –	1 April	11 April	2 10 –	
27. Taunton	1891	200 – –	10 December	25 Jan. 1892	5 – –	
32. York	1890	200 – –	8 July	2 September	3 1 6	
33. York	1892	200 – –	12 April	19 April	5 – –	
33. York	1892	200 – –	8 August	24 August	2 10 –	
34. Rhyl	1892	200 – –	7 March	10 March	1 16 6	
37. Hereford	1890	200 – –	13 February	13 February	1 5 –	
20. Newton Abbott	1892	203 – –	16 September	24 September	6 – –	
31. Williton	1892	205 – –	23 January	8 March	6 2 6	
21. Pocklington	1891	210 – –	18 November	19 December	7 – –	
24. St. Helens	1893	210 – –	– January	– January	6 – –	
35. Axminster	1893	212 10 –	10 January	21 March	6 4 –	
5. Bolton	1893	218 – –	6 March	16 March	2 18 –	
29. Tiverton	1892	218 – –	– September	– November	5 5 –	
29. Tiverton	1892	218 – –	– November	– November	3 19 6	
15. Kingsbridge	1892	220 – –	– October	– December	4 5 –	
17. Newcastle	1893	220 – –	11 April	15 April	4 10 –	
19. Norwich	1892	220 – –	9 September	29 September	5 15 –	
24. St. Helens	1893	220 – –	14 March	6 April	6 2 –	
24. St. Helens	1893	220 – –	23 March	30 March	5 10 –	
24. St. Helens	1892	225 – –	2 August	9 August	4 15 –	
24. St. Helens	1893	225 – –	13 February	16 February	5 – –	
33. York	1892	225 – –	10 October	13 October	4 15 6	
35. Axminster	1893	225 – –	6 February	6 February	3 7 –	
36. Great Torrington	1891	225 – –	10 August	1 September	2 15 –	
37. Hereford	1893	225 – –	7 April	13 April	5 – –	
1. Ashburton	1892	230 – –	30 July	13 August	4 8 –	
10. Derby	1892	230 – –	13 September	7 October	4 7 6	
1. Ashburton	1892	233 – –	10 August	29 September	5 – –	
35. Axminster	1892	235 – –	24 August	7 September	3 12 –	
1. Ashburton	1892	240 – –	12 September	29 September	4 10 –	
17. Newcastle	1893	240 – –	12 March	14 March	3 3 9	
6. Bolton	1892	250 – –	3 October	10 October	5 5 –	
6. Bolton	1892	250 – –	17 December	28 December	4 13 –	
8. Crewkerne	1891	250 – –	– January	– January	3 8 9	

* These numbers refer to the file of returns.

PART I.—Classified Returns from all parts of England, except Birmingham (Part III.), London (Part II.)—*contd.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	Remarks.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
10. Derby	1892	250 – –	9 December	24 December	4 2 6	
17. Newcastle	1893	250 – –	13 April	14 April	4 10 –	
22. Portishead	1892	250 – –	– August	29 September	5 10 6	
26. Taunton	1891	250 – –	14 December	24 December	3 8 9	
27. Taunton	1892	250 – –	– September	– November	2 15 3	
35. Axminster	1893	250 – –	25 February	9 March	4 – –	
37. Hereford	1889	250 – –	– August	11 September	2 15 –	
28. Tavistock	1893	252 10 –	2 February	8 February	6 10 –	
20. Newton Abbott	1893	255 – –	1 February	15 February	6 – –	
27. Taunton	1890	255 – –	11 April	15 April	4 – –	
34. Rhyl	1891	255 – –	7 May	25 May	10 – –	
10. Derby	1892	260 – –	15 March	1 April	2 – –	
19. Norwich	1892	260 – –	22 March	2 April	4 2 6	
27. Taunton	1889	260 – –	– September	– November	4 4 3	
33. York	1892	262 – –	22 November	– Jan. 1893	5 – –	
26. Taunton	1891	262 10 –	5 October	15 October	6 1 4	
27. Taunton	1891	262 10 –	1 April	10 April	4 4 –	
19. Norwich	1892	270 – –	29 October	9 November	4 2 6	
24. St. Helen's	1893	275 – –	– January	19 January	4 – –	
4. Bolton	1891	280 – –	28 December	18 Jan. 1892	6 15 –	
8. Crewkerne	1891	280 – –	– May	– July	7 3 –	
26. Taunton	1892	280 – –	20 June	29 June	5 4 –	
26. Taunton	1893	280 – –	23 March	21 April	5 10 –	
31. Williton	1892	280 – –	29 April	7 August	10 1 11	
32. York	1892	280 – –	5 January	23 January	4 – –	
33. York	1892	280 – –	27 September	13 October	4 15 6	
24. St. Helen's	1893	282 10 –	27 March	29 March	5 8 –	
27. Taunton	1890	295 – –	17 April	– May	4 15 –	
1. Ashburton	1892	300 – –	7 September	29 September	5 3 –	
2. Bridgwater	1893	300 – –	24 January	1 February	4 – –	
6. Bolton	1893	300 – –	20 January	24 January	4 18 –	
19. Norwich	1891	300 – –	27 July	6 August	5 7 6	
24. St. Helen's	1893	300 – –	14 March	20 March	5 7 6	
24. St. Helen's	1893	300 – –	– March	17 March	4 4 –	
26. Taunton	1891	300 – –	5 October	15 October	5 18 6	
26. Taunton	1892	300 – –	– March	– March	4 19 10	
27. Taunton	1889	300 – –	– September	– November	4 10 6	
27. Taunton	1890	300 – –	22 January	6 February	6 9 –	
30. Torquay	1892	300 – –	10 December	2 Jan. 1893	5 – –	
30. Torquay	1893	300 – –	20 January	February	5 – –	
31. Williton	1890	300 – –	29 August	10 September	3 15 6	
31. Williton	1891	300 – –	28 March	28 April	4 16 –	
32. York	1891	300 – –	8 July	2 September	5 11 6	

* These numbers refer to the file of returns.

PART II.

SPECIMEN Cases in London during January and February 1893.

Estate.	Lots.	Conveyance.	Duty.	Plans and Registrations.	Totals.	Purchase Money.
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Putney	32	1 10 –	– 10 –	– 2 6	2 2 6	90 – –
Barnet, Nos. 1 and 3B	1,006	1 10 –	– 7 6	– 2 6	2 – –	60 – –
Lower Tooting	154 and part of 153.	1 10 –	– 10 –	– 2 6	2 2 6	97 – –
Lower Tooting	148 and part of 153.	2 10 –	– 10 –	– 2 6	3 2 6	97 – –
Barnet	1,035	1 10 –	– 7 6	– 2 6	2 – –	55 – –
Barnet	1,036	1 10 –	– 7 6	– 2 6	2 – –	55 – –
Barnet	1,039–40	1 10 –	– 10 –	– 2 6	2 2 6	100 – –
Barking, No. 2	404-5	1 10 –	– 5 –	– 2 6	1 17 6	44 – –
Manor Park Station	432–3	1 10 –	– 7 6	– 2 6	2 – –	60 – –
Manor Park Station	455–6	1 10 –	– 7 6	– 2 6	2 – –	60 – –
Ipswich	38	1 10 –	– 10 –	– 2 6	2 2 6	80 – –
New Brompton, No. 2	99	1 10 –	– 1 6	– 2 6	1 14 –	12 – –
Ealing	150-2	1 10 –	– 10 –	1 1 –	3 1 –	100 – –
Walthamstow, No. 13	43-4	1 10 –	– 10 –	– 2 6	2 2 6	90 – –
Harringay Park	129–31, 165 and 166.	2 10 –	3 – –	1 1 –	6 11 –	580 – –
Hornsey Station	861	1 10 –	– 10 –	1 1 –	3 1 –	95 – –
Hornsey Station	862	1 10 –	– 10 –	1 1 –	3 1 –	95 – –
Barnet, East	136	1 10 –	– 7 6	– 2 6	2 – –	58 – –
Putney	57	1 10 –	– 12 6	– 2 6	2 5 –	112 16 5
Plaistow, No. 2	7 and 8	1 10 –	– 10 –	– 2 6	2 2 6	80 – –
Finchley, No. 2	428-30	1 10 –	1 – –	1 1 –	3 11 –	196 – –
East Barnet, No. 1	152, 61st part	1 10 –	2 5 –	– 2 6	3 17 6	420 – –
Harringay Park	Part 632	1 10 –	– 12 6	1 1 –	3 3 6	113 5 –
Harringay Park	742, 13th part	1 10 –	– 10 –	1 1 –	3 1 –	80 – –
Harringay Park	742, 14th part	1 10 –	– 10 –	1 1 –	3 1 –	80 – –
Balham, No. 2	37 and part 38	1 10 –	1 7 6	– 2 6	3 – –	270 – –
South Wimbledon	30	1 10 –	– 7 6	– 2 6	2 – –	60 – –
Harringay Park	740, 28th part	1 10 –	– 10 6	1 1 –	3 1 –	84 – –
Harringay Park	740, 29th part	1 10 –	– 10 –	1 1 –	3 1 –	84 – –
Harringay Park	785	—	– 12 6	—	– 12 6	105 – –
Hornsey Station	1,077	1 10 –	– 7 6	1 1 –	2 18 6	60 – –
Hendon Station	1	1 10 –	1 10 –	1 1 –	4 1 –	280 – –
Hendon Station	2 and 3	1 10 –	– 15 –	1 1 –	3 6 –	140 – –
	£.	50 – –	22 1 6	16 – 6	88 2 –	3,993 1 5

Part III.

Return prepared for the Birmingham Law Society.

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements)	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
19 February 1890	Conveyance	nil	25 February 1890	2 – –	1 19 6
– February „	Purchase	5 – –	27 February „	2 2 –	1 1 6
– May „	Conveyance	5 12 –	– May „	2 8 –	2 7 –
17 January „	Sale and purchase	10 – –	21 February „	} 3 3 –	3 1 –
17 January „	Sale and purchase	10 – –	21 February „		
20 February „	Sale and purchase	10 – –	25 February „	} 5 – –	4 18 –
20 February „	Sale and purchase	10 – –	28 February „		
7 September „	Purchase	13 19 –	1 October „	1 11 6	1 10 –
5 September „	Sale	25 5 –	11 September „	1 6 –	—
3 October „	Conveyance	20 – –	11 November „	3 10 –	3 8 –
– October „	Conveyance	20 – –	– October „	2 2 –	2 – –
24 September „	Sale and purchase	20 – –	10 October „	2 2 –	2 – –
– June „	Conveyance	20 12 6	– July „	3 3 –	3 – 6
5 June „	Sale	20 12 6	3 July „	1 19 6	—
5 December „	Conveyance	24 16 3	2 January 1891	2 12 –	2 9 6
16 June „	Conveyance	25 – –	18 June 1890	1 6 –	1 3 6
5 July „	Mortgage	25 – –	14 July „	1 1 –	– 18 9
30 October „	Mortgage	25 – –	1 November „	2 2 –	2 – 9
– January „	Conveyance	26 12 6	– January „	3 5 –	3 – –
– January „	Conveyance	27 11 3	– January „	3 5 –	3 – –
31 July „	Conveyance	30 – –	8 August „	2 15 –	2 10 –
13 May „	Conveyance	30 8 4	17 May „	3 7 6	3 2 6
– October „	Conveyance	34 – –	– November „	3 5 –	3 – –
17 January „	Conveyance	35 – –	1 February „	2 19 6	2 14 6
28 January „	Purchase	35 – –	20 March „	2 15 –	2 10 –
– March „	Conveyance	35 5 –	– March „	3 10 –	3 5 –
23 April „	Sale and purchase	38 – –	24 June „	3 3 –	—
14 May „	Coaveyance	40 – –	23 May „	2 – –	1 15 –
– September „	Assignment	40 – –	22 September „	2 7 –	2 2 –
5 September „	Purchase	40 16 4	6 December „	3 10 –	3 5 –
25 August „	Purchase	45 – –	30 September „	3 3 –	2 18 –
14 April „	Conveyance	45 – –	4 June „	3 3 –	—
– April „	Mortgage	50 – –	24 April „	1 2 3	1 1 –
17 January „	Mortgage	50 – –	17 January „	2 2 –	2 – 9
3 April „	Assignment	50 – –	14 April „	3 3 –	2 18 –
26 June „	Sale and purchase	50 – –	10 July „	3 3 –	2 18 –
1 June „	Mortgage (equitable)	50 – –	2 June „	1 10 –	1 9 –
2 August „	Purchase	50 – –	14 August „	3 12 3	3 7 3
19 May „	Mortgage	50 – –	4 June „	2 2 –	—
23 April „	Sale and purchase	50 – –	12 May „	1 11 6	1 6 6
30 May „	Conveyance	51 – –	9 July „	3 7 6	3 – –
5 June „	Sale	51 11 3	3 July „	2 10 6	—
27 February „	Purchase	52 10 –	3 March „	2 – –	1 12 6
– March „	Conveyance	55 – –	– March „	3 15 –	3 7 6
14 October „	Purchase	55 – –	17 October „	2 9 6	2 2 –
5 July „	Purchase	57 10 –	6 August „	4 11 6	4 4 –
5 June „	Sale	61 17 6	3 July „	2 10 6	—
9 January „	Purchase	64 11 8	7 February „	2 12 6	2 5 –
5 June „	Purchase	68 15 –	11 July „	2 10 –	2 2 6
15 February „	Conveyance and mortgage	70 – –	21 February „	5 11 6	5 1 6
21 October „	Conveyance	70 – –	10 December „	2 15 –	2 7 6
14 February „	Assignment	75 –	26 March „	5 5 –	4 17 6
10 March „	Conveyance	75 – –	5 June „	3 – –	2 10 –
29 April „	Mortgage	76 18 6	2 May „	2 2 –	1 19 6

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
21 August 1890	Mortgage	77 13 4	1 September 1890	3 3 –	3 – 6
6 December „	Conveyance	80 – –	22 December „	2 12 –	2 2 –
– December „	Conveyance	80 – –	– December „	4 – –	3 10 –
17 October „	Conveyance	83 – –	14 November „	2 12 6	2 2 6
26 September „	Conveyance	84 – –	30 September „	2 2 –	—
10 May „	Purchase	86 5 –	25 June „	4 4 –	3 14 –
30 September „	Conveyance	88 – –	18 October „	4 11 4	4 1 4
– November „	Conveyance	90 – –	– November „	4 – –	3 10 –
22 July „	Mortgage	91 16 11	23 July „	3 3 –	3 – 6
8 September „	Conveyance	97 – –	11 September „	2 6 6	1 16 6
15 May „	Conveyance	99 18 6	6 June „	3 – –	2 10 –
6 November „	Conveyance	100 – –	18 November „	2 3 6	1 13 6
– April „	Mortgage	100 – –	– May „	5 17 –	5 14 6
– June „	Conveyance and mortgage	100 – –	– June „	6 – –	5 7 6
12 February „	Sale	100 – –	27 February „	2 12 6	—
21 February „	Sale	100 – –	17 March „	2 2 –	—
11 March „	Mortgage	100 – –	11 March „	3 3 –	3 – 6
19 March „	Mortgage	100 – –	20 March „	2 2 –	1 17 6
26 March „	Mortgage	100 – –	27 March „	2 2 –	1 17 6
19 May „	Mortgage	100 – –	21 May „	2 5 –	2 2 6
3 July „	Mortgage	100 – –	29 July „	2 2 –	1 17 6
5 August „	Mortgage	100 – –	9 August „	2 2 –	1 17 6
14 August „	Mortgage	100 – –	25 August „	1 6 –	1 3 6
5 August „	Transfer of mortgage	100 – –	5 August „	2 2 –	2 1 6
27 August „	Mortgage	100 – –	4 September „	2 2 –	1 17 6
6 October „	Mortgage	100 – –	6 October „	3 3 –	3 – 6
6 October „	Mortgage	100 – –	6 October „	3 3 –	3 – 6
1 November „	Mortgage	100 – –	4 November „	3 3 –	3 – 6
– June „	Sale	100 – –	25 June „	2 5 –	—
18 September „	Assignment	100 – –	25 September „	5 – –	4 10 –
– January „	Further charge	100 – –	15 January „	1 3 6	1 1 –
23 May „	Further charge	100 – –	11 June „	1 14 –	1 11 6
25 April „	Assignment	100 – –	26 April „	4 4 –	3 19 –
20 November „	Conveyance	100 – –	27 November „	3 10 –	3 5 –
20 December „	Mortgage	100 – –	24 December „	3 10 –	3 7 6
– May „	Sale	105 – –	– June „	3 5 –	—
– November „	Sale	105 – –	23 December „	3 12 6	—
30 September „	Mortgage	105 – –	30 September „	7 13 –	7 9 3
13 May „	Conveyance	106 – –	24 May „	3 16 2	3 3 8
6 November „	Conveyance	108 4 2	20 November „	5 – –	—
24 July „	Conveyance	110 – –	24 August „	} 5 – –	4 5 –
24 July „	Mortgage	80 – –	24 August „		
30 September „	Purchase	119 8 –	23 October „	4 4 –	3 11 6
21 April „	Sale and purchase	120 – –	1 May „	4 4 –	3 11 6
16 June „	Mortgage	120 – –	18 July „	2 – –	1 16 3
8 November „	Sale	120 – –	17 November „	2 18 –	—
9 April „	Sale and purchase	120 – –	3 June „	3 – –	2 7 6
20 November „	Conveyance	120 – –	27 November „	4 – –	3 7 6
30 December „	Sale	123 – –	– December „	2 2 –	—
28 May „	Mortgage	125 – –	18 July „	2 2 –	1 18 3
6 September „	Purchase	125 – –	13 October „	6 – –	5 7 6
29 March „	Conveyance	129 – –	21 April „	2 17 –	2 2 –
4 November „	Conveyance	130 – –	7 November „	2 17 –	2 2 –
1 March „	Conveyance	130 – –	29 March „	4 3 –	3 8 –
– November „	Mortgage (both parties)	130 – –	11 December „	2 12 3	1 17 3
28 February „	Purchase	132 – –	24 March „	} 10 – –	5 5 –
28 February „	Purchase	378 – –	24 March „		
– January „	Purchase	135 – –	8 February „	3 18 –	3 3 –
3 October „	Mortgage	135 – –	6 November „	3 3 –	2 19 3

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
3 November 1890	Conveyance	136 16 –	6 November 1890	5 15 –	5 – –
15 October „	Conveyance	137 – –	17 December „	2 15 –	—
21 October „	Conveyance	137 – –	21 November „	3 5 –	2 10 –
– March „	Conveyance	137 –	– April „	5 15 –	5 – –
20 May „	Conveyance	140 – –	3 July „	5 15 –	5 – –
25 October „	Conveyance	140 – –	3 December „	5 19 3	5 9 3
22 January „	Conveyance	140 – –	18 February „	2 17 –	2 2 –
22 January „	Sale and purchase	140 – –	29 January „	4 2 –	3 7 –
27 January „	Conveyance	146 – –	1 February „	4 2 6	—
10 December „	Conveyance	150 – –	12 December „	2 4 –	—
10 July „	Mortgage	150 – –	10 September „	2 4 –	2 – 3
17 January „	Mortgage	150 – –	22 January „	3 3 –	2 19 3
27 January „	Mortgage	150 – –	1 March „	3 3 –	2 19 3
21 March „	Sale and purchase	150 – –	31 March „	4 4 –	3 9 –
24 March „	Mortgage	150 – –	14 April „	3 3 –	2 19 3
11 April „	Mortgage	150 – –	19 May „	3 3 –	2 19 3
5 June „	Purchase	150 – –	24 June „	4 4 –	3 9 –
16 July „	Mortgage	150 – –	19 July „	2 5 9	2 2 –
16 October „	Mortgage	150 – –	20 October „	3 3 –	2 19 3
1 January „	Assignment	150 – –	16 January „	3 3 –	—
17 December „	Conveyance	150 – –	6 January 1891	4 19 –	4 4 –
7 February „	Purchase	150 – –	19 March 1890	5 5 –	4 10 –
20 January „	Further charge	150 – –	22 January „	1 4 9	1 3 9
12 August „	Mortgage	150 – –	23 August „	3 10 3	3 6 6
22 November „	Assignment	150 – –	25 November „	4 10 –	3 15 –
21 May „	Purchase	151 – –	24 June „	4 – –	3 2 6
25 July „	Conveyance	153 – –	13 August „	2 19 –	—
1 January „	Purchase	155 – –	16 January „	3 3 –	2 5 6
16 June „	Purchase	155 – –	18 July „	3 – –	2 2 6
17 February „	Mortgage	157 10 –	1 March „	7 10 –	7 5 –
20 December „	Conveyance	160 – –	21 January 1891	3 7 6	2 10 –
– May „	Purchase	160 – –	– May 1890	4 – –	3 2 6
23 September „	Conveyance	160 – –	25 September „	2 19 6	2 2 –
7 May „	Mortgage	160 – –	12 May „	5 – –	4 15 –
9 December „	Sale	160 – –	2 January 1891	5 5 –	—
2 December „	Sale	160 – –	23 January „	2 2 –	—
1 December „	Purchase	160 – –	31 December 1890	4 4 –	3 6 6
7 January „	Purchase	170 – –	3 March „	2 12 6	1 15 –
12 November „	Purchase	170 – –	2 December „	4 4 –	3 16 6
8 May „	Conveyance	170 – –	23 June „	5 2 6	4 4 –
31 March „	Purchase	170 – –	8 May „	4 – 6	3 3 6
25 November „	Purchase	172 – –	31 December „	4 4 –	—
15 October „	Purchase	175 – –	24 October „	3 10 –	2 12 6
– November „	Purchase	180 – –	– November „	6 14 4	5 14 4
14 October „	Sale and purchase	186 10 –	14 October „	6 – –	5 – –
14 August „	Conveyance	187 10 –	18 September „	4 5 –	3 5 –
6 September „	Sale	187 10 –	18 September „	3 3 –	—
17 October „	Purchase	189 6 8	25 October „	4 4 –	3 4 –
14 June „	Purchase	195 – –	11 July „	3 3 –	2 3 –
23 October „	Purchase	195 – –	5 November „	4 4 –	3 4 –
8 March „	Sale	200 – –	3 April „	5 – –	—
27 June „	Assignment	200 – –	17 July „	4 15 6	3 15 6
16 January „	Mortgage	200 – –	24 January „	2 7 –	2 2 –
6 November „	Mortgage	200 – –	18 November „	2 4 –	1 19 –
16 September „	Mortgage	200 – –	30 September „	2 4 7	1 19 7
– March „	Assignment (vendor and purchaser)	200 – –	21 March „	4 11 –	3 11 –
6 February „	Transfer of Mortgage	200 – –	6 March „	1 11 6	1 10 6
20 February „	Mortgage	200 – –	11 March „	3 – –	2 15 –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
22 February 1890	Sale and purchase	200 – –	26 March 1890	5 – –	4 – –
11 March „	Mortgage	200 – –	20 March „	3 3 –	2 18 –
14 March „	Transfer of mortgage	200 – –	26 March „	2 2 –	1 17 –
24 March „	Mortgage	200 – –	14 April „	3 3 –	2 18 –
29 March „	Transfer of mortgage	200 – –	21 April „	3 3 –	3 2 –
11 April „	Sale	200 – –	23 May „	2 2 –	—
27 May „	Mortgage	200 – –	19 July „	3 3 –	2 18 –
22 August „	Mortgage	200 – –	29 August „	3 3 –	2 18 –
24 September „	Sale and purchase	200 – –	29 September „	5 5 –	4 5 –
25 September „	Mortgage	200 – –	10 October „	3 3 –	2 18 –
16 October „	Mortgage	200 – –	20 October „	4 4 –	3 19 –
17 October „	Mortgage	200 – –	27 October „	4 4 –	3 19 –
6 November „	Mortgage	200 – –	22 November „	4 4 –	3 19 –
19 November „	Transfer of mortgage	200 – –	20 November „	2 10 –	2 9 –
2 December „	Mortgage	200 – –	4 December „	3 3 –	2 18 –
17 March „	Conveyance	200 – –	25 March „	3 10 –	2 10 –
1 July „	Conveyance	200 – –	9 August „	6 5 7	5 5 7
13 October „	Conveyance	200 – –	20 October „	6 7 6	5 7 6
22 May „	Purchase	200 – –	2 July „	4 2 6	3 2 6
– June „	Assignment	200 – –	12 July „	7 9 –	6 4 –
– June „	Mortgage (building society)	200 – –	12 July „		
11 July „	Conveyance	200 – –	22 August „	4 8 –	—
11 January „	Purchase	200 – –	14 January „	4 – –	3 – –
12 January „	Mortgage	200 – –	13 January „	4 9 –	4 4 –
15 September „	Mortgage	200 – –	3 October „	3 8 –	3 3 –
20 November „	Purchase	200 – –	24 November „	4 3 –	3 3 –
7 January „	Purchase	200 – –	6 March „	5 9 –	4 4 –
28 October „	Sale	210 – –	7 November „	2 2 –	—
18 October „	Purchase	220 – –	25 November „	4 4 –	3 1 6
1 January „	Conveyance	220 – –	6 January „	5 6 6	—
11 September „	Sale	220 – –	30 September „	2 12 6	—
21 January „	Mortgage	223 11 6	7 February „	2 – –	1 13 6
23 October „	Sale and purchase	225 – –	6 November „	5 5 –	4 2 6
– March „	Purchase	235 – –	– March „	5 2 –	3 17 –
21 May „	Purchase	242 15 6	14 June „	5 15 –	4 10 –
19 June „	Conveyance	250 – –	21 July „	5 12 1	4 7 1
1 October „	Purchase	250 – –	24 November „	5 – –	3 15 –
18 February „	Mortgage	250 – –	1 March „	4 5 6	3 18 9
10 June „	Sale and purchase	250 – –	18 June „	4 4 –	2 19 –
24 June „	Transfer of mortgage	250 – –	8 July „	4 4 –	4 2 6
27 June „	Mortgage	250 – –	6 August „	4 4 –	3 17 3
19 November „	Sale	250 – –	22 December „	4 4 –	—
15 September „	Mortgage	250 – –	22 September „	7 7 –	7 – 9
17 November „	Purchase	250 – –	19 November „	3 7 –	2 2 –
2 August „	Conveyance	252 10 –	30 September „	5 15 –	4 7 6
21 February „	Purchase	255 – –	4 March „	5 15 –	4 7 6
16 April „	Purchase	255 – –	12 May „	4 10 –	3 2 6
15 March „	Assignment	255 – –	12 May „	5 – –	—
6 May „	Conveyance	260 – –	9 May „	2 2 –	—
5 December „	Conveyance	264 – –	1 January 1891	6 4 –	4 16 6
18 February „	Sale and purchase	265 – –	25 February 1890	4 7 –	2 19 6
– June „	Conveyance	272 – –	– July „	3 15 –	—
22 May „	Purchase	275 – –	2 July „	4 10 –	3 2 6
28 May „	Purchase	275 – –	7 July „	4 10 –	3 2 6
16 April „	Conveyance	280 – –	24 April „	6 6 –	4 16 –
26 September „	Sale	280 – –	14 November „	3 6 6	—
29 December „	Mortgage	283 – –	31 December „	4 10 –	4 2 6
6 May „	Conveyance	290 – –	2 June „	6 15 –	5 5 –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
1 December 1890	Conveyance	293 – –	24 December 1890	2 12 6	—
13 June „	Purchase	295 – –	25 June „	4 13 –	3 3 –
3 April „	Conveyance	300 – –	1 May „	6 12 6	5 2 6
3 April „	Mortgage	300 – –	1 May „	4 12 6	4 5 –
6 September „	Mortgage	300 – –	15 September „	5 7 –	4 19 6
6 December „	Mortgage	300 – –	9 January 1891	6 7 6	6 – –
9 July „	Assignment	300 – –	2 August 1890	4 15 –	3 5 –
29 January „	Mortgage	300 – –	29 January „	3 3 –	3 – 6
18 February „	Mortgage	300 – –	20 February „	3 18 –	3 10 6
4 March „	Purchase	300 – –	25 March „	5 10 –	4 – –
21 March „	Mortgage	300 – –	31 March „	4 4 –	3 16 6
26 March „	Mortgage	300 – –	28 March „	3 10 6	3 3 –
29 March „	Sale	300 – –	29 March „	3 3 –	—
5 June „	Purchase	300 – –	24 June „	4 10 –	3 – –
30 June „	Mortgage	300 – –	10 July „	4 10 –	4 2 6
17 July „	Mortgage	300 – –	28 July „	5 – –	4 12 6
10 August „	Sale and purchase	300 – –	27 November „	6 – –	4 10 –
10 October „	Mortgage	300 – –	20 October „	4 10 –	4 2 6
28 October „	Mortgage	300 – –	28 October „	4 10 –	4 2 6
6 November „	Transfer of mortgage	300 – –	22 November „	4 10 –	4 8 6
6 November „	Transfer of mortgage	300 – –	22 November „	4 10 –	4 8 6
19 November „	Mortgage	300 – –	20 November „	4 10 –	4 2 6
3 May „	Assignment	300 – –	23 July „	5 5 –	3 15 –
– March „	Further charge (Building Society)	300 – –	12 March „	1 8 6	1 1 –
– March „	Assignment	300 – –	3 April „	6 – –	4 2 6
– March „	Re-conveyance	250 3 –	3 April „		
– May „	Mortgage (Building Society)	300 – –	8 May „	4 – –	3 12 6
– September „	Mortgage (Building Society)	300 – –	8 September „	2 14 6	2 7 –
30 January „	Mortgage (Building Society)	300 – –	10 February „	4 1 –	3 13 –
June „	Purchase	300 – –	24 June „	4 4 –	2 14 –
18 June „	Mortgage	300 – –	24 June „	3 10 6	3 3 –
20 September „	Mortgage	300 – –	6 October „	4 11 –	4 3 6
– May „	Conveyance	300 – –	– June „	7 16 3	6 – –
– May „	Mortgage	245 – –	– June „		
– September „	Conveyance	300 – –	– October „	7 8 –	5 11 9
– September „	Mortgage	250 – –	– October „		
13 August „	Mortgage (second)	300 – –	13 September „	4 11 6	4 4 –
– November „	Purchase	300 – –	– November „	6 10 –	5 – –
10 April „	Mortgage (both parties)	300 – –	16 April „	5 12 6	5 5 –
17 July „	Mortgage (both parties)	300 – –	29 July „	5 – –	4 12 6
7 May „	Purchase	305 – –	23 June „	10 5 –	5 – –
7 May „	Purchase	295 – –	23 June „		
7 May „	Sale and purchase	305 – –	23 June „		
29 September 1891	Conveyance	15 8 4	22 October 1891	2 12 6	—
31 March „	Conveyance	16 – –	11 April „	1 12 –	1 10 –
– May „	Conveyance	20 – –	– May „	2 2 –	—
23 March „	Sale	20 16 –	7 May „	2 10 6	—
27 January „	Conveyance	28 – –	17 February „	3 – –	2 15 –
12 November „	Conveyance	30 – –	9 December „	1 6 –	1 1 –
21 September „	Sale and purchase	31 – –	2 October „	2 18 6	2 13 6
17 October „	Conveyance	32 – –	23 November „	3 5 4	3 – 4
– May „	Conveyance	35 12 6	– May „	2 17 6	2 12 6
28 February „	Conveyance	35 18 4	7 March „	3 6 6	3 1 6
18 November „	Sale and purchase	37 – –	– January 1892	2 2 –	1 17 –
23 March „	Sale	39 – –	7 May 1891	2 10 6	—
17 January „	Conveyance	41 – –	16 February „	3 5 4	3 – 4
16 January „	Conveyance	45 – –	25 February „	2 16 –	2 11 –
8 November „	Sale	45 – –	10 November „	1 6 –	—

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
– May 1891	Conveyance	46 – –	– May 1891	2 10 –	2 5 –
4 February „	Purchase	50 – –	27 February „	3 10 –	3 5 –
7 August „	Further charge	50 – –	12 August „	1 1 –	– 19 –
– August „	Mortgage	50 – –	5 August „	1 11 6	1 10 3
18 October „	Conveyance	50 – –	19 October „	1 16 6	1 11 6
21 March „	Purchase	50 – –	25 March „	1 6 –	1 1 –
7 November „	Purchase	50 17 6	10 November „	3 3 –	2 15 6
12 May „	Purchase	52 10 –	2 June „	2 7 6	2 – –
16 March „	Conveyance	53 – –	17 March „	1 19 –	—
27 November „	Conveyance	55 – –	17 December „	3 4 –	2 16 6
4 June „	Conveyance	56 – –	18 June „	3 2 –	2 14 6
– March „	Conveyance	61 10 –	– March „	5 7 6	5 – –
2 November „	Conveyance	62 – –	16 November „	5 – –	4 10 –
14 November „	Sale and purchase	64 – –	1 December „	2 15 6	2 8 –
– September „	Conveyance	72 – –	19 October „	5 2 7	4 15 1
11 April „	Conveyance	74 5 9	22 April „	1 19 –	—
21 September „	Conveyance	75 – –	2 October „	2 9 6	2 2
26 June „	Conveyance	80 – –	29 June „	2 11 6	—
23 March „	Sale	81 – –	28 May „	2 10 6	—
20 September „	Conveyance	84 – –	20 October „	3 10 4	3 – 4
23 March „	Sale	85 15 –	7 May „	2 10 6	—
5 October „	Conveyance	87 12 –	8 October „	2 2 –	—
29 May „	Conveyance	90 – –	17 June „	2 10 –	2 – –
– March „	Conveyance	90 12 6	– March „	3 17 6	3 7 6
2 March „	Conveyance	91 – –	5 March „	2 1 6	1 11 6
15 January „	Conveyance	91 17 –	– January „	2 1 6	1 11 6
– January „	Conveyance	94 10 –	– January „	3 – –	2 10 –
– March „	Conveyence	94 10 –	– March „	4 10 –	4 – –
19 March „	Conveyance	95 – –	1 May „	4 11 – (With plan.)	4 1 –
– May „	Conveyance	97 10 –	– May „	4 – –	3 10 –
23 September „	Conveyance	99 19 –	13 October „	2 1 6	1 11 6
23 March „	Conveyance	100 – –	2 April „	2 1 6	1 11 6
20 February „	Conveyance	100 – –	5 March „	2 1 6	1 11 6
20 March „	Conveyance	100 – –	1 April „	3 – –	2 10 –
– May „	Conveyance	100 – –	12 May „	3 10 – (With plan.)	3 – –
1 May „	Assignment	100 – –	29 May „	3 3 –	—
23 August „	Conveyance	100 – –	14 September „	3 3 –	—
6 February „	Conveyance	100 – –	28 April „	2 1 6	1 11 6
24 March „	Conveyance	100 – –	6 April „	3 6 –	2 16 –
2 June „	Mortgage	100 – –	15 June „	2 2 6	2 – –
2 March „	Mortgage	100 – –	11 April „	2 4 –	2 1 6
10 March „	Mortgage	100 – –	16 March „	2 8 –	2 5 6
13 February „	Conveyance	105 – –	20 February „	2 4 –	—
20 March „	Purchase	105 – –	17 April „	3 10 6	2 17 –
20 May „	Mortgage	107 – –	23 May „	2 5 9	2 2 –
7 February „	Sale	107 10 –	26 March „	3 3 –	—
30 October „	Conveyance	108 – –	4 November „	2 3 –	—
13 July „	Mortgage	109 – –	26 August „	2 – –	1 16 3
24 May „	Conveyance	110 – –	29 June „	5 – –	4 7 6
6 October „	Conveyance	110 – –	7 October „	2 4 –	1 13 6
16 January „	Conveyance	120 – –	5 March „	5 – –	4 7 6
13 June „	Conveyance	120 – –	14 August „	3 – –	—
14 November „	Purchase	120 – –	27 November „	3 9 6	2 17 –
20 May „	Mortgage	120 – –	29 May „	2 5 9	2 2 –
29 September „	Purchase	125 – –	6 November „	4 5 6	3 13 –
– June „	Sale and purchase	125 – –	17 June „	2 11 –	1 18 6
25 April „	Conveyance	127 – –	4 June „	3 3 –	—
18 August „	Conveyance	130 – –	21 August „	2 17 –	2 2 –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
– October 1891	Sale and Purchase	130 – –	2 November 1891	2 17 –	2 2 –
1 April „	Mortgage	130 – –	1 April „	3 10 –	3 6 3
– March „	Conveyance	130 10 –	– March „	5 15 –	5 – –
24 June „	Conveyance	135 – –	23 July „	6 – 3	5 5 3
28 August „	Conveyance	135 – –	23 September „	2 6 6	—
9 September „	Sale	135 – –	29 September „	2 2 –	—
14 July „	Conveyance	136 – –	2 September „	3 12 6	—
15 September „	Mortgage	140 – –	19 September „	5 6 3	5 2 6
– April „	Conveyance	140 – –	– June „	5 15 –	5 – –
26 October „	Conveyance	140 – –	30 October „	4 10 –	5 15 –
12 June „	Conveyance	141 – –	30 June „	3 5 –	2 10 –
– February „	Conveyance	143 – –	– March „	5 1 6	4 16 6
23 March „	Conveyance	145 – –	29 April „	5 4 6	4 9 6
– March „	Assignment	150 – –	11 April „	5 – –	4 5 –
6 February „	Conveyance	150 – –	3 March „	2 – –	—
12 September „	Conveyance	150 – –	16 November „	4 – –	—
7 April „	Transfer of Mortgage	150 – –	12 May „	1 11 6	1 10 6
– September „	Mortgage	150 – –	– September „	3 6 9	3 3 –
4 March „	Assignment	150 – –	5 March „	4 – –	3 5 –
10 April „	Sale	155 – –	23 April „	1 5 –	—
14 November „	Purchase	155 – –	27 November „	3 16 6	2 18 –
6 July „	Conveyance	155 – –	28 August „	3 3 –	—
28 May „	Conveyance	160 – –	28 June „	6 6 –	5 8 6
7 December „	Conveyance	160 – –	14 December „	5 – –	—
30 July „	Conveyance	167 – –	6 August „	2 9 –	—
24 June „	Conveyance	170 – –	4 July „	4 4 –	—
1 June „	Conveyance	171 – –	18 June „	4 5 6	—
– July „	Conveyance	176 18 9	– August „	5 – –	—
– November „	Conveyance	177 5 –	2 December „	6 – –	5 – –
29 June „	Conveyance	180 – –	29 July „	4 7 6	—
3 July „	Conveyance	180 – –	20 July „	3 4 –	—
2 November „	Conveyance	186 9 2	19 November „	5 5 –	—
31 October „	Purchase	195 – –	2 November „	3 2 –	2 2 –
23 September „	Mortgage	200 – –	2 October „	2 16 –	2 11 –
– January „	Mortgage	200 – –	– February „	3 5 –	3 – –
– June „	Mortgage	200 – –	– June „	4 10 –	4 5 –
4 October „	Purchase	200 –	4 November „	5 5 –	4 5 –
5 October „	Mortgage	200 – –	13 October „	3 – –	2 15 –
2 February „	Mortgage	200 – –	10 February „	3 17 6	3 12 6
23 February „	Assignment	200 – –	28 February „	4 2 6	3 2 6
2 May „	Purchase	200 – –	22 May „	3 5 –	2 5 –
– April „	Assignment	200 – –	2 May „	5 – –	4 –
26 June „	Mortgage	200 – –	1 July „	3 13 –	3 8 –
7 April „	Sale	200 – –	28 May „	2 2 –	—
13 May „	Mortgage	200 – –	20 May „	4 5 –	4 – –
1 July „	Assignment	200 – –	2 July „	4 – –	3 – –
2 January „	Conveyance	200 – –	9 January „	4 – –	3 – –
– April „	Conveyance	205 – –	– April „	3 2 –	—
10 October „	Purchase	205 – –	3 November „	4 10 6	3 8 –
14 January „	Sale	210 – –	27 January „	4 12 6	—
6 October „	Conveyance	214 – –	17 October „	5 5 –	—
5 October „	Conveyance	215 – –	26 October „	4 – –	—
2 September „	Purchase	220 – –	29 September „	4 – 6	2 18 –
24 November „	Purchase	220 – –	19 December „	4 15 1	3 12 7
30 September „	Conveyance	220 – –	13 October „	4 – –	—
5 August „	Purchase	220 – –	29 September „	4 7 6	3 5 –
– February „	Conveyance	224 17 6	– February „	6 2 6	5 – –
5 September „	Conveyance	225 – –	26 September „	4 12 6	3 10 –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
17 December 1891	Conveyance	225 – –	4 January 1892	4 6 –	—
10 December „	Purchase	225 – –	24 December 1891	4 – –	2 17 6
27 May „	Conveyance	226 – –	26 August „	5 – –	—
4 June „	Conveyance	230 – –	20 July „	6 8 3	5 3 3
6 October „	Conveyance	230 – –	13 October „	5 – –	—
6 October „	Conveyance	230 – –	2 November „	4 5 –	—
11 May „	Mortgage	230 – –	22 May „	5 6 3	5 – –
– January „	Conveyance	231 3 6	– January „	6 – –	4 15 –
– February „	Conveyance	232 1 8	25 March „	5 – 6	—
– September „	Sale	235 – –	– September „	5 – –	—
– May „	Conveyance	240 – –	– June „	7 7 –	5 14 6
– May „	Mortgage	300 – –	– June „		
25 November „	Sale	240 – –	4 December „	4 4 6	—
7 May „	Transfer of Mortgage	240 – –	15 May „	3 2 6	3 1 –
1 January „	Mortgage	250 – –	20 January „	5 16 3	5 10 –
– April „	Mortgage	250 – –	11 May „	3 – –	2 13 9
20 June „	Mortgage	250 – –	27 June „	4 9 9	4 3 –
– July „	Mortgage	250 – –	– July „	4 4 –	3 17 9
1 July „	Mortgage	250 – –	16 July „	4 4 –	3 17 –
14 February „	Mortgage	250 – –	24 February „	6 15 6	6 8 9
17 December „	Conveyance	250 – –	4 January 1892	4 6 –	3 1 –
6 December „	Assignment	250 – –	23 December 1891	5 5 –	4 – –
12 November „	Conveyance	250 – –	30 December „	4 – –	2 15 –
– October „	Sale	250 – –	– October „	1 11 6	—
– October „	Purchase	250 – –	– October „	3 1 6	1 16 6
22 April „	Conveyance	250 – –	30 April „	5 – –	—
23 March „	Conveyance	250 – –	15 May „	6 12 6	5 7 6
5 June „	Purchase	250 – –	18 June „	4 18 –	3 13 –
5 June „	Sale	250 – –	18 June „	3 3 –	—
5 May „	Conveyance	252 – –	8 June „	4 7 6	3 – –
24 January „	Purchase	254 – –	2 February „	5 18 –	4 10 6
2 April „	Mortgage	258 – –	1 April „	3 5 –	2 17 6
– May „	Conveyance	260 – –	– May „	6 7 6	5 – –
22 September „	Sale	270 – –	27 October „	3 – –	—
– February „	Assignment	270 – –	17 March „	6 2 –	4 14 6
16 March „	Purchase	275 – –	9 April „	5 11 6	4 4 –
– March „	Sale	275 – –	– March „	3 – –	—
– August „	Sale	285 – –	20 September „	3 – –	—
9 September „	Mortgage	285 – –	9 September „	4 10 –	4 2 6
8 December „	Assignment	290 – –	11 December „	4 10 –	3 – –
27 August „	Purchase	297 – –	29 September „	4 8 –	2 18 –
20 July „	Mortgage (both parties)	300 – –	12 August „	5 12 6	5 5 –
– October „	Purchase and Mortgage	300 – –	4 November „	7 5 –	5 7 6
– January „	Conveyance	300 – –	– February „	6 10 –	5 – –
– March „	Mortgage	300 – –	– March „	1 9 –	1 6 6
– November „	Sale	300 – –	– December „	5 19 –	—
– April „	Mortgage (both parties)	300 – –	7 April „	3 – –	2 12 6
– April „	Mortgage (both parties)	300 – –	8 April „	3 – –	2 12 6
– August „	Assignment	300 – –	– August „	5 10 –	4 – –
– November „	Mortgage	300 – –	8 November „	3 – –	2 12 6
16 April „	Conveyance	300 – –	16 May „	5 15 –	4 5 –
19 March „	Mortgage (equitable)	300 – –	3 April „	1 4 –	1 1 –
7 July „	Purchase	300 – –	11 July „	5 7 –	3 17 –
11 December „	Sale	300 – –	15 December „	4 10 –	—
12 September „	Mortgage	300 – –	26 September „	4 2 –	3 14 6
– March „	Conveyance	300 – –	– April „	9 6 3	7 10 –
– March „	Morgtage	250 – –	– April „		
27 February „	Mortgage	300 – –	27 February „	4 10 –	4 2 6

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
21 June 1892	Purchase	10 – –	12 July 1892	1 18 6	1 17 6
8 October „	Conveyance	10 – –	25 October „	2 10 –	2 9 –
2 August „	Conveyance	12 – –	23 August „	1 10 –	1 8 6
13 February „	Purchase and equitable charge	13 – –	27 February „	3 3 –	3 – 6
– July „	Conveyance	22 – –	– August „	3 2 6	3 – –
2 April „	Conveyance	26 2 –	29 April „	2 7 –	2 2 –
21 November „	Purchase	30 5 –	25 November „	1 6 –	1 1 –
2 April „	Conveyance	32 6 –	29 April „	2 7 –	2 2 –
– July „	Sale and purchase	35 – –	– July „	3 – –	2 15 –
27 October „	Purchase	39 – –	9 November „	2 9 6	2 4 6
– June „	Purchase	40 – –	– July „	2 – –	1 15 –
23 May „	Conveyance	40 10 –	27 June „	3 2 6	2 17 6
11 February „	Conveyance	43 – –	15 March „	3 5 4	3 – 4
24 June „	Purchase	43 6 –	4 July „	1 11 6	1 6 6
7 December „	Conveyance	46 – –	20 January 1893	—	—
25 October „	Conveyance	46 – –	9 December 1892	3 – 6	2 15 6
6 June „	Conveyance	47 – –	18 June „	2 15 –	2 10 –
16 June „	Conveyance	47 – –	20 June „	3 – –	2 15 –
– August „	Conveyance	49 10 –	– August „	3 3 –	—
8 April „	Conveyance	50 – –	18 May „	2 10 –	2 8 9
18 August „	Conveyance	50 – –	23 August „	5 18 6	5 13 6
9 December „	Further charge	50 – –	13 December „	1 5 7	1 4 4
16 May „	Conveyance	52 – –	21 June „	3 – –	2 12 6
22 July „	Conveyance	55 – –	9 August „	3 – –	2 12 6
16 July „	Purchase	55 5 6	21 July „	1 8 6	1 1 –
23 June „	Conveyance	56 – –	24 June „	1 19 –	—
2 April „	Conveyance	56 – –	29 April „	2 10 –	2 2 6
2 April „	Conveyance	56 – –	29 April „	2 10 –	2 2 6
30 May „	Conveyance	60 – –	30 June „	4 11 –	4 3 6
7 July „	Conveyance	60 – –	5 August „	3 – –	2 12 6
8 April „	Conveyance	60 – –	19 May „	2 – –	—
23 April „	Assignment	60 – –	24 June „	3 3 –	2 15 6
12 May „	Conveyance	60 – –	22 May „	2 2 –	—
16 June „	Mortgage	60 – –	20 June „	1 14 –	1 11 6
– August „	Conveyance	60 12 –	– August „	3 15 –	3 7 6
21 March „	Conveyance	63 – –	5 April „	3 – –	2 12 6
– June „	Purchase	65 – –	– June „	3 10 –	3 2 6
– December „	Conveyance	65 – –	– December „	3 15 –	3 7 6
8 March „	Purchase	65 – –	13 April „	2 13 –	2 4 6
9 May „	Conveyance	75 – –	2 May „	4 11 10	4 4 4
16 June „	Conveyance	80 – –	20 June „	3 – –	2 10 –
12 April „	Conveyance	80 – –	3 May „	3 10 –	3 – –
– October „	Conveyance	82 14 –	– October „	2 – –	1 10 –
30 September „	Conveyance	87 – –	4 October „	2 1 6	1 11 6
12 February „	Conveyance	90 – –	15 February „	2 1 6	1 11 6
23 March „	Conveyance	90 – –	26 March „	3 5 –	2 15 –
23 March „	Conveyance	90 – –	25 March „	3 5 –	2 15 –
2 May „	Conveyance	95 – –	10 May „	2 1 6	1 11 6
9 December „	Purchase	95 – –	10 January 1893	3 13 –	3 3 –
12 January „	Conveyance	98 – –	22 January 1892	1 11 6	—
– May „	Conveyance	99 – –	– August „	2 2 –	—
3 September „	Conveyance	100 – –	14 September „	2 12 –	2 2 –
– November „	Mortgage	100 – –	– December „	7 – –	6 15 –
1 February „	Conveyance	100 – –	11 February „	3 3 –	—
– March „	Equitable mortgage	100 – –	1 April „	1 3 –	1 2 –
4 August „	Purchase	100 – –	7 September „	4 13 4	4 3 4
– April „	Mortgage	100 – –	23 April „	2 2 6	2 – –
2 November „	Mortgage	100 – –	22 November „	2 2 6	2 – –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration. £. s. d.	Date of Completion.	Cost (including Disbursements). £. s. d.	Cost (excluding Stamp). £. s. d.
4 March 1892	Conveyance	100 – –	– April 1892	2 10 –	2 – –
8 April ,,	Conveyance	100 – –	10 May ,,	2 10 –	2 – –
22 April ,,	Conveyance	100 – –	18 May ,,	2 10 –	2 – –
9 July ,,	Conveyance	100 – –	30 July ,,	2 10 –	2 – –
18 October ,,	Mortgage	100 – –	4 November ,,	2 2 –	1 19 6
8 March ,,	Mortgage	100 – –	24 March ,,	2 2 6	2 – –
7 July ,,	Mortgage	100 – –	14 July ,,	3 3 –	3 – 6
31 May ,,	Conveyance	102 11 2	1 July ,,	3 15 –	3 2 6
11 December ,,	Purchase	105 – –	5 January ,,	3 10 –	2 17 6
31 May ,,	Conveyance	105 19 6	1 July ,,	3 15 –	3 2 6
20 May ,,	Sale	109 – –	16 June ,,	2 2 –	—
5 May ,,	Mortgage	120 – –	26 July ,,	2 5 9	2 2 –
24 October ,,	Conveyance	120 – –	28 October ,,	3 10 –	—
– July ,,	Purchase	123 10 –	– July ,,	4 10 –	3 16 3
– July ,,	Mortgage	50 – –	– July ,,		
– October ,,	Conveyance	124 – –	– October ,,	4 12 6	3 10 –
– May ,,	Purchase	125 – –	– June ,,	3 10 –	2 17 6
7 September ,,	Conveyance	125 – –	8 November ,,	3 3 –	—
– July ,,	Conveyance	125 – –	– July ,,	4 2 6	3 10 –
15 August ,,	Purchase	125 – –	24 August ,,	4 11 –	3 18 6
– May ,,	Sale and purchase	125 – –	20 May ,,	5 – –	4 7 6
– November ,,	Purchase	127 10 –	17 November ,,	3 10 –	2 15 –
– November ,,	Mortgage	80 – –	17 November ,,		
20 January ,,	Conveyance	130 – –	25 February ,,	6 8 9	5 10 –
20 January ,,	Mortgage	150 – –	25 February ,,		
20 March ,,	Conveyance	135 – –	14 April ,,	5 15 –	5 – –
30 May ,,	Purchase	140 – –	31 May ,,	3 5 –	2 10 –
6 November ,,	Conveyance	140 – –	19 December ,,	3 15 4	3 – 4
24 October ,,	Assignment	148 – –	3 November ,,	4 – –	3 5 –
11 February ,,	Sale and purchase	150 – –	18 February ,,	3 3 –	2 8 –
19 September ,,	Mortgage	150 – –	22 September ,,	2 2 –	1 18 3
23 February ,,	Mortgage	150 – –	27 February ,,	4 4 –	4 – 3
8 May ,,	Assignment	150 – –	24 June ,,	4 15 –	4 – –
– January ,,	Mortgage (equitable)	150 – –	26 January ,,	1 9 8	1 7 8
– February ,,	Mortgage	150 – –	22 February ,,	1 12 –	1 10 –
3 October ,,	Assignment	150 – –	8 October ,,	3 10 –	2 15 –
8 March ,,	Purchase	155 – –	30 March ,,	4 – –	3 2 6
7 September ,,	Mortgage	155 – –	8 November ,,	3 3 –	2 19 3
2 December ,,	Conveyance	160 – –	21 December ,,	4 – –	—
– December ,,	Conveyance	160 – –	– December ,,	4 15 6	3 18 –
31 March ,,	Mortgage	160 – –	2 April ,,	3 – –	2 15 –
2 November ,,	Conveyance	161 – –	7 November ,,	2 9 –	—
1 March ,,	Conveyance	162 – –	25 April ,,	4 – –	—
17 March ,,	Conveyance	165 – –	28 April ,,	3 4 6	—
– March ,,	Conveyance	165 – –	– May ,,	8 1 6	7 1 6
– March ,,	Mortgage	80 – –	– May ,,		
7 July ,,	Assignment	165 – –	14 July ,,	4 – –	3 2 6
18 April ,,	Purchase	170 – –	24 May ,,	6 – –	5 – –
18 April ,,	Mortgage	100 – –	24 May ,,		
– January ,,	Conveyance	180 – –	– January ,,	4 – –	—
9 November ,,	Mortgage	180 – –	11 November ,,	2 7 –	2 2 –
– August ,,	Conveyance	180 – –	– September ,,	3 15 6	2 15 6
5 December ,,	Sale and purchase	185 – –	5 December ,,	3 14 –	2 14 –
23 August ,,	Conveyance	191 – –	2 September ,,	3 – –	—
– September ,,	Mortgage (mortgagee and mortgagor)	200 – –	1 October ,,	3 3 –	2 18 –
13 November ,,	Conveyance	200 – –	29 December ,,	4 10 –	3 10 –
– October ,,	Conveyance	200 – –	– October ,,	6 – –	5 – –
– June ,,	Conveyance	200 – –	– July ,,	5 – –	4 – –
2 March ,,	Conveyance	200 – –	16 March ,,	3 – –	2 10 –

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamps).
		£. s. d.		£. s. d.	£. s. d.
– September 1892	Assignment	200 – –	23 September 1892	4 4 –	3 4 –
– September „	Assignment	200 – –	23 September „	5 5 –	4 5 –
12 December „	Conveyance	200 – –	16 December „	4 – –	3 – –
8 July „	Purchase	200 – –	30 July „	5 – –	4 – –
17 May „	Mortgage	200 – –	19 May „	3 – –	2 15 –
5 June „	Sale	200 – –	23 June „	1 12 –	—
– November „	Conveyance	200 – –	– December „		
– November „	Mortgage	100 – –	– December „	7 – –	5 17 6
5 July „	Assignment	200 – –	14 July „	4 10 –	3 10 –
12 December „	Conveyance	200 – –	21 December „	5 – –	4 – –
– June „	Conveyance	203 7 6	23 June „	6 2 6	5 – –
4 June „	Conveyance	213 – –	11 June „	4 – –	—
28 November „	Conveyance	220 – –	6 January 1893	4 12 6	3 10 –
28 July „	Conveyance	220 – –	29 September 1892	3 12 –	—
8 March „	Mortgage	220 – –	24 March „	3 6 9	3 – 3
31 March „	Conveyance	225 – –	14 May „	6 6 –	5 3 6
11 February „	Purchase	225 – –	18 March „	4 2 6	3 – –
8 September „	Conveyance	227 – –	12 September „	5 – –	—
19 September „	Conveyance	230 – –	18 October „	3 – –	—
24 May „	Assignment	230 – –	21 June „	4 8 –	3 3 –
4 February „	Purchase	230 – –	18 March „	5 3 –	3 18 –
4 May „	Conveyance	240 – –	24 June „	5 – –	—
19 May „	Mortgage	241 – –	17 June „	5 6 3	5 –
1 September „	Conveyance	250 – –	22 September „	5 – –	—
– June „	Assignment	250 – –	4 July „	6 16 –	5 11 –
7 June „	Conveyance	250 – –	22 July „	3 12 3	3 6 –
19 November „	Conveyance	250 – –	2 December „	5 1 6	3 16 –
4 April „	Conveyance	250 – –	26 April „	2 2 –	—
– July „	Mortgage	250 – –	– July „	5 6 3	5 – –
6 December „	Assignment	250 – –	23 December „	5 5 –	—
25 April „	Mortgage	250 – –	5 May „	3 15 –	3 7 6
23 June „	Purchase	250 – –	24 August „	4 1 6	2 16 6
23 June „	Mortgage	250 – –	29 June „	3 4 9	2 17 6
13 July „	Conveyance	260 – –	25 July „	5 – –	—
31 May „	Purchase	260 – –	24 June „	4 14 –	3 6 6
20 September „	Purchase	265 – –	6 October „	5 8 –	4 – 6
– June „	Conveyance	267 – –	– June „	5 – –	—
23 March „	Conveyance	270 – –	7 May „	5 – –	—
16 May „	Purchase	275 – –	19 May „	3 15 –	2 7 6
7 June „	Conveyance	275 – –	22 June „	7 12 9	6 5 3
23 June „	Conveyance	276 – –	12 July „	5 – 6	—
1 February „	Conveyance	280 – –	2 March „	4 13 6	—
21 May „	Purchase	281 – –	25 June „	7 2 6	5 12 6
30 July „	Purchase	285 – –	4 August „	6 6	4 14 6
7 October „	Sale	290 – –	29 October „	3 18 6	—
25 October „	Conveyance	295 – –	9 December „	5 – –	—
11 January „	Mortgage (both parties)	300 – –	19 February „	6 2 –	5 14 6
20 September „	Mortgage	300 – –	19 October „	4 4 –	3 16 6
– October „	Conveyance	300 – –	– October „	6 10 –	5 – –
9 November „	Assignment	300 – –	28 November „	5 10 –	4 – –
6 October „	Mortgage	300 – –	19 October „	2 1 –	1 13 6
9 July „	Mortgage	300 – –	19 July „	3 18 –	3 10 6
– January „	Sale	300 – –	– March „	5 – –	—
– October „	Mortgage	300 – –	– October „	5 12 6	5 5 –
– January „	Mortgage	300 – –	3 February „	7 4 6	6 17 –
– February „	Mortgage (Building Society)	300 – –	4 March „	2 9 6	2 2 –
– March „	Mortgage	300 – –	1 April „	5 5 –	4 17 6

PART III.—RETURN prepared for the Birmingham Law Society—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamps).
		£. s. d.		£. s. d.	£. s. d.
– August 1892	Mortgage (Building Society)	300 – –	9 August 1892	2 4 –	1 16 6
– September „	Mortgage	300 – –	23 September „	8 3 6	7 16 6
– September „	Mortgage	300 – –	1 October „	7 12 6	7 5 –
– October „	Mortgage (Building Society)	300 – –	8 November „	2 12 –	2 4 6
– October „	Mortgage (Building Society)	300 – –	8 November „	2 12 –	2 4 6
22 March „	Conveyance	300 – –	7 April „	4 – –	2 10 –
23 March „	Mortgage	300 – –	7 April „	3 12 –	3 4 6
25 November „	Sale and Purchase	300 – –	2 December „	7 – –	5 10 –
25 November „	Sale and Purchase	300 – –	2 December „	7 – –	5 10 –
19 December „	Assignment	300 – 2	24 December „	5 – –	3 10 –
1 February 1893	Conveyance	30 – –	17 February 1893	2 10 –	2 5 –
7 March „	Conveyance	43 – –	10 March „	2 2 6	1 17 6
6 April „	Purchase	48 – –	25 April „	3 3 –	2 18 –
22 August „	Conveyance	50 – –	29 August „	2 – –	1 15 –
6 April „	Conveyance	79 – –	8 April „	2 1 6	1 11 6
– January „	Conveyance	80 – –	– January „	3 10 –	3 – –
18 February „	Sale	85 – –	17 March „	1 1 –	—
– January „	Conveyance	85 – –	– January „	2 6 –	—
6 January „	Purchase	90 – –	23 January „	1 11 –	1 1 –
6 February „	Conveyance	90 – –	11 February „	2 1 6	1 11 6
6 January „	Purchase	95 – –	24 January „	1 11 6	1 1 6
11 February „	Purchase	100 – –	15 February „	2 1 6	1 11 6
6 January „	Purchase	100 – –	23 January „	1 15 –	1 5 –
– March „	Mortgage	100 – –	9 March „	2 18 6	2 16 –
28 March „	Mortgage	100 – –	21 April „	3 5 6	3 3 –
12 April „	Mortgage	100 – –	17 April „	1 11 6	1 9 –
15 April „	Further charge	100 – –	17 April „	1 15 –	1 12 6
6 April „	Purchase	100 – –	25 April „	3 3 –	2 13 –
– March „	Conveyance	103 10 –	– March „	5 2 6	4 10 –
19 January „	Conveyance	105 – –	17 February „	3 15 –	—
13 February „	Conveyance	110 – –	27 March „	4 10 –	3 18 6
19 January „	Conveyance	117 – –	7 February „	2 4 –	—
6 January „	Purchase	130 – –	23 January „	2 15 –	2 – –
20 March „	Conveyance	135 – –	12 April „	3 – –	—
6 January „	Purchase	173 – –	23 January „	2 17 6	2 – –
6 April „	Mortgage	200 – –	12 April „	3 16 –	3 11 –
28 March „	Assignment	200 – –	8 April „	4 3 –	3 3 –
21 March „	Conveyance	244 – –	27 March „	4 – –	—
8 March „	Conveyance	250 – –	25 March „	4 5 –	3 – –
12 April „	Transfer of mortgage	250 – –	14 April „	3 4 6	3 3 –
– February „	Conveyance	254 8 –	– February „	6 7 6	5 – –
– February „	Conveyance	255 – –	– February „	6 7 6	5 – –
9 March „	Transfer of mortgage and further charge.	260 – –	14 March „	4 – –	—
13 January „	Purchase	290 – –	31 January „	6 – –	4 10 6
17 April „	Further charge	300 – –	17 April „	2 1 6	1 13 –

REPORTS and RETURNS received subsequently during 1893.

Committee of Boston Solicitors.

So far as regards cost, we think we cannot do better than append the scale of charges adopted in our town and district. Table I. represents the total remuneration of a vendor's solicitor on a sale by private contract (if the sale is effected by auction the amount charged is somewhat higher, this including advertising and preparation for and conduct of sale, which in other districts is usually performed by the auctioneer). Table II. represents the total remuneration of a purchaser's solicitor; Table III. the total remuneration of the solicitor, when acting for both mortgagor and mortgagee, which is almost invariably the case in this district. This fee is, however, reduced by one-fourth if the solicitor has at the same time been concerned for the mortgagor on the conveyance of the property mortgaged. These tables do not include disbursements, which practically include only stamp and parchment.

TABLE I.

£.	£.	s.	d.
Consideration Money 100	2	5	–
„ „ 150	2	12	6
„ „ 200	3	–	–
„ „ 250	3	–	–
„ „ 300	3	7	6

TABLE II.

£.	£.	s.	d.
Consideration Money 100	3	–	–
„ „ 150	3	10	–
„ „ 200	4	–	–
„ „ 250	4	–	–
„ „ 300	4	10	–

TABLE III.

£.	£.	s.	d.
Amount of Mortgage Loan 100	4	–	–
„ „ 150	5	–	–
„ „ 200	6	–	–
„ „ 250	6	10	–
„ „ 300	7	–	–

Nearly all conveyancing transactions in land in this district are completed at certain specified dates—viz., Lady day and Michaelmas—when possession of the property purchased is given; and most of the money borrowed being in connection with these purchases, the completion of the mortgages are likewise fixed for the same time. When, however, this fixed time of settlement does not govern the date of the transaction, a very few days from the date of instruction being given will nearly always suffice to complete a purchase or mortgage.

Dewsbury County Court District Incorporated Law Society.

I am instructed to enclose you replies received from members of my society. The instances given can be indefinitely multiplied if necessary.

You will, of course, know that here we are in a register county, and I may say that the costs in every case include not only the ordinary costs as they would be payable in a non-register county, but also the cost of registration. Moreover, the fact that we are in a register county here adds to the time required in getting the matter through, inasmuch as we almost invariably search before we complete.

It may be added that it would be highly inconvenient to bankers in this district to have such a scheme as is proposed, and as far as their securities are concerned, the scheme would be unworkable and extremely inconvenient from the publicity which would necessarily follow.

There is no difficulty in any case where the parties, whether vendor, purchaser, mortgagor, mortgagee, or otherwise, are agreed in carrying out all such transactions in a week; in fact, matters are very often carried out in considerably under that time. As every solicitor is aware, the delay arises from causes which no registry would cure, such as money not being ready and the general convenience of the parties.

Halifax Incorporated Law Society.

In Halifax and district a large proportion of real property belongs to small owners (chiefly the working class). In a great number of cases a speculative builder has bought a large area of land and laid same out in the erection of small dwelling-houses ranging in price from 150*l.* to 300*l.*, which find a ready sale to small capitalists who desire to possess their own dwelling-houses. The costs of the conveyances in most cases do not exceed 1*l.* per cent., including disbursements, and a number of instances could be given where only about 1*l.* 1*s.* has been charged exclusive of disbursements.

The late John Crossley, Esq., M.P. for Halifax in 1865, laid out a large plot of ground for small dwelling-houses as above stated. He was the pioneer in this district in the erection of superior cottages for the working class. He thought it would also be of advantage to the working class, and a saving of considerable costs to the purchasers, if the title were registered under the Land Registry Act then in force. After spending a great amount of money (over 200*l.*), and in consequence of the great difficulties and trouble caused by the elaborate searches and other requirements of the Land Registry Office, he was compelled to abandon his intention and take the title off the registry, as he found that the procedure was more costly than under the old system.

Liverpool Incorporated Law Society.

The society consists of about 350 solicitors practising in and near Liverpool, and includes many solicitors in Birkenhead, Southport, Ormskirk, Warrington, Wigan, St. Helens, Widnes, and Northwich.

Property in the society's district is held in comparatively small holdings, excepting the few large estates, and is constantly being dealt with by conveyance, mortgage, settlement, will, or otherwise. No statistics are available to show the number of transactions involving the transfer of property by one or other of these means, but they undoubtedly amount to very many thousands within a single year. As property in the neighbourhood frequently changes hands by purchase, the compulsory provisions of the Bill would in a short time apply to most of it, and the land being once registered, every dealing, including devolution by will or intestacy, would require registration. The Bill would therefore impose compulsory registration within a few years upon by far the greater part of the real property in the district.

The tenure of the property is very various, and includes freehold, with or without a chief or ground rent, copyhold, and leasehold for terms varying from 75 to 999 years, sometimes at nominal and sometimes at substantial rents. There are also many mining leases, building leases, wayleaves, and other easements, and reservations of mines and minerals are frequent. Much property is held under certain titles which are well known, and require little or no investigation on the part of local solicitors.

Notwithstanding the variety of tenures, the frequency with which property is dealt with, and the general knowledge of local titles, have led to increased speed and cheapness in carrying through conveyancing transactions. The committee have received returns from many members of the society which show that a conveyance or mortgage is frequently completed within two or three days after instructions have been received, sometimes on the same day. It is usual, when property is sold by auction, to allow a month or six weeks for completion, but as a rule this is not because time is required to prepare and complete the deeds, but to enable a purchaser to raise his purchase money by sale of investments or by arranging a mortgage, or to put the vendor in a position to give vacant possession. A solicitor in the district writes as follows :—"Nine times out of ten the completion is made to suit the arrangements of the clients, such as the expiration of notice to a mortgagee, the determination of a tenancy, the falling-in of money to enable the purchaser to pay. Very rarely in my experience is there any delay on the solicitor's part."

It is also a common and favourite practice to lodge title deeds with a banker as security for a temporary advance, or to secure a current account. In such a case the customer takes the deeds to the banker, who looks through them himself, and if they appear correct he takes from his customer at the same time an equitable charge under hand upon a printed form, and bearing an *ad valorem* stamp of 1*s.* per cent. If the deeds present any difficulty to the banker he refers them to his solicitor, who examines them and reports at once, and the transaction may generally be completed within half-an-hour. The release of the property is carried through by the mere cancelment of the equitable charge and the return of the deeds to the customer. It is needless to point out that celerity may be of the very greatest importance in cases of this class.

It may therefore be taken that great rapidity is expected by the client (except where delay is needed for his own convenience), and is, in some cases, indispensable ; and that such rapidity is possible, and is, in fact, attained under the present system of conveyancing.

In considering the question of cost under the present system, transactions involving the deduction or investigation of title as well as the preparation and completion of a deed must be distinguished from those which involve only the preparation and completion of a deed. The legal remuneration in cases of the former class is, as is well known, governed by the General Order under the Solicitors' Remuneration Act, and the maximum charge according to the scale is as follows :—

Where the Consideration Money does not exceed	Solicitor's Costs.
£.	£.
100	3
300	5
From 300*l.* to 1,000*l.*	1*l.* 10*s.* per cent.

Where the consideration exceeds 1,000*l.*, the percentage upon the consideration is calculated upon a gradually diminishing scale, down to 5*s.* per cent.

The committee, however, are able to state, both from their own experience and from returns which they have obtained from many leading firms of solicitors in their district, that where solicitors are, as in many cases, more or less acquainted with the titles, and thus in part relieved from the duty of investigation, the maximum charge is not made, as they are enabled to give their clients the benefit of the smaller expenditure of time and trouble. For example, from one firm eight transactions have been returned, involving an aggregate consideration of 5,975*l.*, in which the total of the solicitor's costs was 44*l.* 5*s.*, or an average cost of 5*l.* 10*s.* 7*d.* upon an average consideration of 746*l.* 17*s.* 6*d.* Another firm have returned 20 transactions, involving an aggregate consideration of 8,657*l.*, in which the total of the solicitor's charges was 76*l.* 6*s.* 3*d.*, or an average cost of 3*l.* 16*s.* 3*d.* upon an average consideration of 433*l.* In a third case, 21 transactions, involving an aggregate purchase money of 9,140*l.*, the solicitor's charges were 97*l.* 13*s.*, or an average cost of 4*l.* 13*s.* upon an average consideration of 435*l.*

Deeds of the second class, *i.e.*, not involving a deduction or investigation of title, have, since the modern improvements in conveyancing (notably those effected by the Conveyancing and Law of Property Act, 1881), been so much simplified and shortened that the solicitor's total charge for preparing and completing them is now extremely small, say 2*l.* 2*s.* to 5*l.* 5*s.*, except, of course, in cases of settlements, where the nature of the case involves complicated trusts and provisions.

The adoption of a system of compulsory registration of title in this district would necessarily materially add to the time and cost of every transaction.

The local registry in a district like that of this society would have to be organised on an enormous scale. It would require a large and highly-trained staff of officials, who would, for the performance of their duties, have to be either solicitors or persons who have had a similar professional training. For the work of the district hundreds of such officials would be requisite. The staff would thus be expensive, and its maintenance would necessitate heavy registry fees, unless it were to be a charge upon the revenue of the country. There would be an irresistible tendency to keep down the numbers of this staff to a minimum, and congestion, involving delay, would be the necessary outcome.

Even, however, if the staff could be made adequate and efficient, the system would still be necessarily a slow one. Where parties act through solicitors to whom they are known many precautions are unnecessary which a public office could not dispense with. For example, a forged signature to a deed is practically unknown under the present system; but a public office would, as is now the practice in the Land Registry, require signatures to be verified by statutory declaration. Again, many statements and recitals in deeds, now accepted as matter of common knowledge, or which the parties are willing to admit, would have to be strictly proved under a system of registration. All this would involve both delay and expense.

The first registration, which it is proposed to make compulsory on sale, would necessarily require considerable time, and would tend to deter purchasers by reason of its expense and delay. If an absolute title is required the delay would be very considerable; under the present system, although the Land Registry is on its trial and admittedly not overworked, from three to six months are ordinarily taken up in registering such a title, and there is a risk (by no means imaginary) of the title being refused and thenceforth discredited by reason of some purely technical flaw which does not really affect its validity. On the other hand, if a possessory title only is registered, the time and expense involved in investigation must be incurred, with no corresponding benefit until after the lapse of many years the title ripens into an absolute one.

But even when an absolute title has been registered there must still be greater delay than under the present system. The necessary searches, entries, surveys, plans, and verifications must, even in the simplest cases, cause delay now altogether avoided. When property has devolved by will or intestacy, where it is sold in lots, where several properties are to be thrown together, the delay will be proportionately increased. It is found in practice that a transfer of registered land cannot by any ingenuity be carried through in a few days or even weeks, and even after the conveyance has been executed and lodged in the Registry several months usually elapse before the registration is complete. For example, in a recent Liverpool case the completed conveyance was sent to the Land Registry on 13th February 1893, and was not received back registered until 13th April. In that case, too, the registry, printing, and surveying fees amounted to 15*l.* 2*s.* 11*d.* upon a consideration of 3,062*l.*, or say 10*s.* per cent. in addition to the solicitor's charges and stamp duty. Other cases have been brought under the notice of the committee in which dealings with registered land occupied from three to twelve months.

Sheffield District Incorporated Law Society.

Under the present system of conveyancing the time occupied in completion of transactions is almost invariably governed by the wishes and convenience of the parties concerned A purchaser requires time to provide the purchase money, and a mortgagee has to furnish the loan, and it is seldom that the solicitors are not able to complete the legal formalities within the period fixed by the conditions.

In auction sales from four to eight weeks are allowed for completion, and in sales by private treaty the time is regulated by the wishes of the parties, and it frequently occurs that in cases of urgency small transactions are carried through within some few days from receipt of instructions.

CONTINUATION of Classified Returns from all parts of England, except Birmingham and London.

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	REMARKS.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
19. Wells	1891	2 – –	– August	– August	1 – –	
39. Shepton Mallet	1893	10 – –	4 March	11 March	1 – –	
39. Shepton Mallet	1893	11 – –	– February	23 March	1 5 –	
19. Wells	1893	12 10 –	– March	– April	1 17 6	
30. Newcastle-on-Tyne	1892	19 8 6	– August	5 October	3 10 –	
2. Ashton under-Lyne	1893	19 10 –	25 April	1 May	2 2 –	
8. Leeds	1892	22 4 –	11 August	30 September	3 13 6	
22. Nottingham	1893	28 – –	17 March	24 March	1 15 –	
39. Shepton Mallet	1892	30 – –	– September	21 September	1 17 6	
19. Wells	1892	30 – –	– February	– February	1 15 –	
24. Winsford	1893	30 – –	18 February	5 March	1 10 –	
28. Leicester	1893	30 – –	24 February	10 March	1 15 –	
32. Newcastle-on-Tyne	1893	30 –	24 April	28 April	3 – –	
26. Ashby-de la-Zouch	1893	30 – –	1 March	18 March	2 9 6	
6. Crewe	1893	31 – –	27 April	30 April	– 10 –	
21. Nottingham	1891	31 13 4	1 November	2 December	3 5 –	
4. Blackburn	1893	37 – –	6 February	13 February	2 7 –	
25. Wrexham	1893	38 15 –	– February	17 April	2 2 –	
8. Leeds	1889	39 – –	13 May	3 July	3 10 –	
8. Leeds	1889	40 – –	13 May	3 July	3 10 –	
19. Wells	1889	40 – –	– March	– March	1 1 –	
22. Nottingham	1893	40 – –	– April	– April	1 15 –	
38. Newcastle-on-Tyne	1892	40 – –	14 September	19 September	1 12 9	
22. Nottingham	1892	45 – –	23 February	30 March	1 16 6	
1. Ashton-under-Lyne	1892	50 – –	20 May	27 May	2 17 6	
3. Barnstaple	1893	50 – –	30 March	30 March	– 11 9	
3. Barnstaple	1893	50 – –	21 April	27 April	1 8 3	
8. Leeds	1892	50 – –	5 September	3 October	3 11 3	
19. Wells	1890	50 – –	– May	– May	1 11 6	
31. Newcastle-on-Tyne	1893	50 – –	17 April	19 April	1 14 9	
36. Lancaster	1893	50 – –	25 January	30 January	2 2 –	
39. Shepton Mallet	1893	50 – –	– March	25 March	2 10 –	
25. Wrexham	1893	53 – –	– May	– May	3 – –	
21. Nottingham	1892	53 16 3	12 November	14 December	3 – –	
39. Shepton Mallet	1892	54 – –	1 November	17 November	3 2 9	
1. Ashton-under-Lyne	1890	60 – –	11 June	17 June	3 5 –	
24. Winsford	1892	60 – –	20 April	27 April	2 10 –	
Winsford	1892	60 – –	14 December	16 December	2 5 –	
Winsford	1892	60 – –	14 December	16 December	2 5 –	
31. Newcastle-on-Tyne	1893	60 – –	18 February	16 March	4 9 10	
40. Wells	1893	60 – –	17 February	18 February	2 2 –	
38. Newcastle-on-Tyne	1893	61 – –	7 March	9 March	2 9 6	
26. Ashby-de-la-Zouch	1893	62 11 –	1 February	11 April	3 2 6	
8. Leeds	1892	66 12 –	11 August	30 September	3 13 6	
21. Nottingham	1891	67 14 6	6 October	1 November	3 7 6	
1. Ashton-under-Lyne	1892	68 – –	12 January	14 January	3 2 6	
34. Newcastle-on-Tyne	1892	68 15 –	13 December	28 December	3 12 6	
2. Ashton-under-Lyne	1892	70 – –	18 October	21 October	2 12 –	
13. Newcastle-on-Tyne	1892	70 – –	1 June	4 June	2 14 –	
Newcastle-on-Tyne	1892	70 – –	1 June	4 June	– 12 –	
21. Nottingham	1892	70 – –	17 Dec. 1892	14 Jan. 1893	2 12 –	
20. Newcastle-on-Tyne	1892	70 19 –	14 Dec. 1892	9 Jan. 1893	2 14 6	
8. Leeds	1889	75 – –	13 May	3 July	4 – –	
22. Nottingham	1893	75 – –	21 January	11 February	2 9 6	

CONTINUATION of Classified Returns from all parts of England, except Birmingham and London—*continued.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	REMARKS.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
32. Newcastle-on-Tyne	1893	75 – –	24 April	28 April	3 2 6	
4. Blackburn	1888	77 10 –	31 October	9 November	3 6 –	
1. Ashton-under-Lyne	1892	80 – –	4 February	16 February	3 17 6	
21. Nottingham	1890	80 – –	18 Dec. 1890	24 Jan. 1891	3 10 –	
26. Ashby-de-la-Zouch	1893	84 9 4	24 February	28 February	3 2 6	
8. Leeds	1889	85 – –	14 June	26 July	4 10 –	
5. Bolton	1893	90 – –	30 January	17 February	2 17 6	
23. Nottingham	1889	90 – –	10 August	29 August	3 11 3	
12. Newcastle-on-Tyne	1893	91 – –	10 February	11 February	2 7 6	
38. Newcastle-on-Tyne	1892	93 – –	10 November	12 November	2 14 6	
13. Newcastle-on-Tyne	1892	95 – –	27 February	20 April	3 8 –	
32. Newcastle-on-Tyne	1892	97 9 6	12 December	27 December	3 13 –	
35. Blyth	1892	100 – –	10 May	23 May	3 10 –	
1. Ashton-under-Lyne	1892	100 – –	7 March	10 March	3 15 –	
Ashton-under-Lyne	1892	100 – –	6 April	13 April	3 18 –	
Ashton-under-Lyne	1892	100 – –	1 June	4 June	3 7 6	
Ashton-under-Lyne	1892	100 – –	26 July	27 July	5 4 –	
4. Blackburn	1892	100 – –	15 January	22 January	2 12 –	
4. Blackburn	1892	100 – –	4 October	11 October	4 4 –	
7. Exeter	1893	100 – –	23 February	Lady-day	1 10 –	
35. Blyth	1892	100 – –	2 June	25 June	3 10 –	
Blyth	1893	100 – –	27 April	29 April	3 10 –	
19. Wells	1891	100 – –	– May	– May	2 10 –	
24. Winsford	1893	100 – –	10 January	20 January	1 10 –	
32. Newcastle-on-Tyne	1892	100 – –	12 October	22 October	3 10 6	
34. Newcastle-on-Tyne	1892	100 – –	15 September	16 September	5 – –	
38. Newcastle-on-Tyne	1893	100 – –	2 May	3 May	2 9 6	
39. Shepton Mallet	1893	100 – –	17 March	19 March	5 – –	
41. Wells	—	100 – –	Effected in three days		– 12 6	
19. Wells	1889	105 – –	– August	– September	2 5 –	
11. Newcastle-on Tyne	1893	108 – –	8 April	15 April	3 10 –	
3. Barnstaple	1893	110 – –	23 January	1 February	2 7 6	
18. Whitby	1893	110 – –	14 January	4 February	3 16 –	
23. Nottingham	1889	110 – –	19 October	24 October	4 1 4	
30. Newcastle-on-Tyne	1892	110 – 10	22 August	8 October	4 2 6	
21. Nottingham	1891	112 19 –	25 March	2 June	3 3 –	
1. Ashton-under-Lyne	1892	120 – –	23 June	6 July	5 3 3	
5. Bolton	1893	120 – –	17 February	23 February	3 18 –	
11. Newcastle-on-Tyne	1891	120 – –	28 October	7 November	3 11 9	
12. Newcastle-on-Tyne	1893	120 – –	17 April	1 May	2 19 6	
40. Wells	1893	120 – –	15 April	24 April	3 4 –	
19. Wells	1890	122 – –	– February	– February	2 16 3	
14. Newcastle-on-Tyne	1893	124 12 9	24 March	6 April	2 2 –	
Newcastle-on-Tyne	1893	125 13 4	24 March	6 April	2 2 –	
3. Barnstaple	1893	128 – –	13 January	31 January	2 – –	
Barnstaple	1893	128 – –	8 February	3 March	2 – –	
Barnstaple	1893	130 – –	20 January	27 January	1 10 –	
10. Nottingham	1892	130 – –	15 August	23 September	4 10 –	
2. Ashton-under-Lyne	1892	133 – –	15 September	29 September	4 3 –	
Ashton-under-Lyne	1892	140 – –	5 October	8 October	5 9 –	
11. Newcastle-on-Tyne	1891	140 – –	29 May	9 June	3 13 6	
7. Exeter	1892	145 – –	14 November	– December	3 5 –	
4. Blackburn	1892	149 – –	31 March	30 April	4 – –	
2. Ashton-under-Lyne	1892	150 – –	8 September	17 September	4 12 9	
3. Barnstaple	1893	150 – –	9 February	11 February	2 – 9	
2. Ashton-under-Lyne	1892	150 – –	14 December	14 December	1 6 3	

CONTINUATION of Classified Returns from all parts of England, except Birmingham and London—*continued.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	Remarks.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
4. Blackburn	1892	150 – –	31 March	30 April	3 – –	
Blackburn	1892	150 – –	1 April	30 April	4 – –	
4. Blackburn	1892	150 – –	28 June	1 July	3 – –	
7. Exeter	1892	150 – –	29 September	– October	2 17 6	
Exeter	1892	150 – –	14 November	– December	2 17 6	
Exeter	1893	150 – –	23 February	Lady-day	3 – –	
11. Newcastle-on-Tyne	1891	150 – –	1 June	15 June	4 2 3	
Newcastle-on-Tyne	1892	150 – –	21 November	30 November	4 4 –	
Newcastle-on-Tyne	1893	150 – –	17 April	28 April	3 1 3	
19. Wells	1890	150 – –	– September	– October	1 – –	
Wells	1890	150 – –	– October	– November	1 5 9	
20. Newcastle-on-Tyne	1892	150 – –	3 August	2 September	2 2 –	
21. Nottingham	1892	150 – –	2 February	20 April	3 6 10	
24. Winsford	1892	150 – –	3 June	9 June	3 19 –	
Winsford	1893	150 – –	17 April	4 May	2 2 –	
41. Wells	–	150 – –	– Effected same day		– 14 6	
12. Newcastle-on-Tyne	1893	153 – –	16 January	20 January	2 12 –	
7. Exeter	1892	160 – –	29 September	– October	3 15 –	
Exeter	1893	161 – –	23 February	Lady-day	4 – –	
35. Blyth	1893	175 – –	11 April	27 April	4 5 6	
1. Ashton-under-Lyne	1892	175 – –	28 March	31 March	3 10 –	
31. Newcastle-on-Tyne	1892	175 – –	16 March	29 March	7 7 6	
2. Ashton-under-Lyne	1893	180 – –	3 March	24 March	4 10 6	
21. Nottingham	1893	181 17 8	31 January	9 February	4 3 –	
12. Newcastle-on-Tyne	1892	190 – –	6 August	18 August	2 12 –	
27. Leicester	1892	190 – –	31 Dec. 1892	14 Jan. 1893	3 15 –	
7. Exeter	1893	191 – –	23 February	– Lady-day	4 4 –	
35. Blyth	1892	200 – –	19 February	20 February	4 – –	
Blyth	1893	200 – –	27 April	8 May	4 8 –	
1. Ashton-under-Lyne	1892	200 – –	23 March	14 April	3 9 –	
Ashton-under-Lyne	1892	200 – –	8 April	21 April	4 6 6	
2. Ashton-under-Lyne	1892	200 – –	27 October	29 October	3 8 –	
Ashton-under-Lyne	1893	200 – –	17 January	1 February	4 8 –	
Ashton-under-Lyne	1893	200 – –	1 March	5 March	5 – –	
4. Blackburn	1888	200 – –	3 November	12 November	3 10 –	
Blackburn	1888	200 – –	11 August	16 August	2 15 –	
Blackburn	1893	200 – –	30 January	1 February	4 7 6	
7. Exeter	1893	200 – –	24 January	– February	3 5 –	
Exeter	1893	200 – –	8 February	– March	3 5 –	
Exeter	1893	200 – –	30 March	– May	3 5 –	
8. Leeds	1892	200 – –	8 January	5 February	6 3 –	
Leeds	1892	200 – –	– October	18 October	5 – –	
Leeds	1892	200 – –	– November	13 December	5 – –	
9. Nottingham	1892	200 – –	– September	– November	5 – –	
10. Nottingham	1892	200 – –	20 June	28 September	4 10 –	
11. Newcastle-on-Tyne	1891	200 – –	4 July	10 July	4 8 –	
Newcastle-on-Tyne	1891	200 – –	11 November	21 November	3 13 –	
Newcastle-on-Tyne	1892	200 – –	9 August	6 September	3 13 –	
27. Newcastle-on-Tyne	1892	200 – –	29 November	24 December	4 4 6	
22. Nottingham	1892	200 – –	23 April	30 April	2 10 –	
24. Winsford	1892	200 – –	19 November	25 November	2 12 –	
24. Winsford	1892	200 – –	8 Dec. 1892	7 Jan. 1893	3 15 –	
Winsford	1893	200 – –	23 January	11 February	4 – –	
Winsford	1893	200 – –	22 February	4 March	4 1 –	
25. Wrexham	1893	200 – –	– April	17 April	2 15 –	
29. Newcastle-on-Tyne	1892	200 – –	16 March	21 March	4 8 6	

CONTINUATION of Classified Returns from all parts of England, except Birmingham and London—*continued.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	REMARKS.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
33. Newcastle-on-Tyne	1893	200 – –	26 April	30 April	2 13 –	
34. Newcastle-on-Tyne	1892	200 – –	30 March	5 April	6 15 –	
41. Wells	–	200 – –	–	Effected same day	– 14 6	
36. Lancaster	1893	200 – –	14 February	21 February	3 3 –	
40. Wells	1893	200 – –	12 February	15 February	4 4 –	
23. Nottingham	1890	210 – –	3 June	3 July	3 4 6	
35. Blyth	1892	210 – –	16 May	27 May	3 15 6	
37. Newcastle-on-Tyne	1893	210 – –	7 February	17 February	4 8 –	
33. Newcastle-on-Tyne	1893	212 – –	25 April	29 April	4 4 –	
25. Wrexham	1892	210 12 –	– September	6 October	5 – –	
9. Nottingham	1889	220 – –	– May	– June	5 – –	
2. Nottingham	1893	220 – –	17 March	– March	3 12 6	
29. Newcastle-on-Tyne	1892	220 – –	23 Dec. 1892	4 Jan. 1893	5 3 6	
33. Newcastle-on-Tyne	1893	221 – –	– May	3 May	4 4 –	
1. Ashton-under-Lyne	1892	222 10 –	26 February	19 April	4 12 7	
22. Nottingham	1891	225 – –	2 November	12 November	3 12 6	
34. Newcastle-on-Tyne	1892	225 – –	6 April	24 April	4 11 6	
36. Lancaster	1893	227 14 –	5 January	21 February	4 2 6	
22. Nottingham	1893	230 – –	– March	– March	3 15 –	
23. Nottingham	1890	232 – –	11 February	13 February	5 1 –	
27. Leicester	1893	232 – –	7 April	15 April	4 15 –	
Leicester	1893	232 – –	7 April	15 April	2 2 –	
13. Newcastle-on-Tyne	1892	235 – –	19 January	3 February	4 2 6	
22. Nottingham	1891	40 – –	18 April	24 April	2 – –	
Nottingham	1891	240 – –	18 April	24 April	4 5 –	
24. Winsford	1892	240 – –	8 Dec. 1892	7 Jan. 1893	5 – –	
36. Lancaster	1893	240 6 –	5 January	21 February	5 7 6	
7. Exeter	1891	250 – –	18 Dec. 1891	– Jan. 1892	3 12 6	
15. Newcastle-on-Tyne	1892	250 – –	27 August	8 September	5 3 6	
18. Whitby	1893	250 – –	20 April	21 April	5 6 6	
23. Nottingham	1888	250 – –	16 February	29 March	5 – –	
29. Newcastle-on-Tyne	1892	250 – –	24 November	5 December	4 4 9	
35. Blyth	1892	250 – –	16 May	27 May	4 13 –	
3. Barnstaple	1893	257 – –	16 January	23 February	4 4 –	
22. Nottingham	1891	265 – –	– February	– March	4 7 6	
28. Leicester	1893	268 – –	18 January	2 February	4 6	
8. Leeds	1890	270 – –	28 November	12 December	4 13 –	
Leeds	1890	270 – –	28 November	12 December	4 13	
Leeds	1891	270 – –	4 May	15 May	4 10 –	
Leeds	1891	270 – –	4 May	15 May	4 10 –	
1. Ashton-under-Lyne	1892	275 – –	2 June	22 June	4 14 –	
14. Newcastle-on-Tyne	1893	275 – –	10 April	17 April	5 – –	
37. Newcastle-on-Tyne	1892	275 – –	12 December	24 December	5 16 6	
11. Newcastle-on-Tyne	1892	280 17 6	28 April	29 April	4 6 –	
11. Newcastle-on-Tyne	1892	290 – –	13 January	30 January	3 3 –	
7. Leicester	1892	290 – –	1 Nov. 1892	23 Jan. 1893	4 15 –	
9. Nottingham	1889	290 12 6	– Sept. 1889	25 Mar. 1890	7 – 6	
22. Nottingham	1892	291 – –	23 November	28 December	6 10 –	
8. Leeds	1892	295 – –	30 Nov. 1892	18 Jan. 1893	6 1 –	
34. Newcastle-on-Tyne	1892	295 – –	15 September	16 September	5 – –	
1. Ashton under-Lyne	1891	300 – –	9 December	18 December	4 – –	
1. Ashton-under-Lyne	1892	300 – –	1 February	8 March	4 13 10	
1. Ashton-under-Lyne	1892	300 – –	15 July	25 July	4 16 6	
1. Ashton-under-Lyne	1892	300 – –	31 August	10 September	4 14 –	
2. Ashton-under-Lyne	1893	300 – –	11 January	23 January	4 14 6	
2. Ashton-under-Lyne	1893	300 – –	1 February	18 February	7 2 7	

CONTINUATION of Classified Returns from all parts of England, except Birmingham and London—*continued.*

	Date.	Purchase Money.	Time Occupied.		Solicitors' Costs.	REMARKS.
			Instructions Received.	Business Completed.		
		£. s. d.			£. s. d.	
2. Ashton-under-Lyne	1893	300 – –	7 March	13 March	6 – –	
Ashton under-Lyne	1893	300 – –	4 April	11 April	5 19 –	
Barnstaple	1893	300 – –	30 March	30 March	2 11 8	
4. Blackburn	1892	300 – –	31 March	13 April	4 10 –	
4. Blackburn	1893	300 – –	28 February	2 March	6 3 6	
5. Bolton	1893	300 – –	3 February	20 February	5 15 –	
5. Bolton	1893	300 – –	17 March	20 March	2 – –	
5. Bolton	1893	300 – –	4 April	7 April	1 11 6	
7. Exeter	1892	300 – –	20 July	– August	4 15 –	
7. Exeter	1892	300 – –	20 July	– August	4 – –	
7. Exeter	1893	300 – –	24 January	– February	4 15 –	
8. Leeds	1893	300 – –	21 February	23 February	8 5 –	
8. Leeds	1893	300 – –	1 April	11 April	4 19 –	
9. Nottingham	1888	300 – –	– May	24 June	6 10 –	
11. Newcastle-on-Tyne	1892	300 – –	9 February	2 March	4 6 –	
12. Newcastle-on-Tyne	1892	300 – –	28 November	5 December	3 3 –	
12. Newcastle-on-Tyne	1893	300 – –	8 March	15 March	4 18 –	
20. Newcastle-on-Tyne	1892	300 – –	3 August	2 September	4 18 –	
21. Nottingham	1893	300 – –	24 February	11 March	5 10 –	
22. Nottingham	1892	300 – –	12 December	16 December	5 – –	
24. Winsford	1892	300 – –	30 September	25 October	4 – 6	
27. Leicester	1892	300 – –	12 November	14 November	3 19 –	
27. Leicester	1892	300 – –	12 Dec. 1892	24 Jan. 1893	5 – –	
27. Leicester	1893	300 – –	13 February	28 February	4 15 –	
27. Leicester	1893	300 – –	13 February	28 February	3 3 –	
28. Leicester	1892	300 – –	23 Dec. 1892	4 Jan. 1893	5 1 –	
31. Newcastle-on-Tyne	1893	300 – –	27 January	30 March	9 10 –	
34. Newcastle-on-Tyne	1892	300 – –	7 September	14 September	4 16 6	
34. Newcastle-on-Tyne	1892	300 – –	22 September	24 September	5 17 6	
35. Blyth	1893	300 – –	23 February	24 February	4 18 –	
36. Lancaster	1893	300 – –	16 February	3 March	7 10 4	

Date when Instructions Received.	Nature of Transaction.	Amount of Consideration.	Date when Completed.	Costs, including Disbursements.	Disbursements Separately.
		£. s. d.		£. s. d.	£. s. d.
July 1891	Conveyance	251 – –	July 1891	8 2 –	2 2 –
August „	Conveyance	40 – –	August „	3 17 6	– 17 6
September „	Conveyance	275 – –	September „	6 10 –	1 10 –
November „	Conveyance	185 – –	November „	7 11 –	1 5 –
December „	Assignment	25 – –	December „	3 6 –	– 6 –
March 1892	Conveyance	60 – –	March 1892	3 15 –	– 15
March „	Conveyance	100 – –	March „	5 – –	– 15
May „	Assignment	200 – –	May „	2 16 –	1 5 –
May „	Conveyance	300 – –	May „	4 1 6	2 10 –
August „	Conveyance	70 – –	August „	3 14 –	– 11 –
September „	Conveyance	10 – –	September „	2 7 –	– 5 –
October „	Conveyance	27 18 6	October „	3 13 –	– 13 –
February 1893	Conveyance	75 – –	February 1893	3 15 –	– 15 –
March „	Conveyance	175 – –	March „	6 9 –	1 9 –

St. Austell, May 1893.

APPENDIX, No. 2.

PAPER handed in by Mr. *E. P. Wolstenholme*, 27 May 1895.

THE following is a short summary of a paper read by me before the Juridical Society in the year 1862, which was printed in Vol. II., p. 533, of the Transactions of the Society. Some alteration is, however, made as to the power of absolute disposition.

The simplicity of the title to shares or stock may be said to depend on four specialities :—

(1.) No interest less than the entire interest can be transferred.

(2.) The bank or the company are exempt from acknowledging any owner except the registered owner of the entire interest.

(3.) The bank, and now most companies, guarantee the validity of the transfer.

(4.) Every pound of the stock or shares is precisely similar to every other pound; so that the guarantee can be made effectual by purchasing and giving to any person defrauded the identical thing he has lost.

The third and fourth of these specialities cannot be applied to land. The guarantee cannot be provided except by the public or by fees, which the vendor or purchaser must pay, and might as well expend in investigating title; and there can be given to one party damages only, and not the identical thing he has lost. If a defrauded landowner is to have back his land, and the purchaser is to have the damages, the latter will probably think it better to save the insurance premium and incur some expense in the investigation of title. If the purchaser is to retain the land, and the defrauded landowner is to have the damages, the condition of the purchaser is still worse. The moment he has gained a title against all prior claims, the law which excludes them comes into operation against himself. He has acquired a defence against a danger which it is generally possible to discover, and which, if existing, ceases after a time under the statutes of limitation; but he becomes exposed to a new danger, always present, against which his only defence is the care and skill of a registrar.

It is clear, therefore, that, for proper safety, in the case of land there must be some investigation of title. The third and fourth specialities above mentioned cannot be applied to it; and the efforts for reform must be confined to applying the first and second specialities so far as the subject-matter admits.

In the case of stocks or shares, it is absolutely necessary for the bank or the company to keep a register of transfers in order to pay dividends. There is no such necessity in the case of land. Consequently, the only matter to be dealt with is the instrument of transfer, without reference to registration of deeds, which may or may not be added.

My proposal is this :—

1. After a certain date no disposition to be made of the legal fee simple, except to the extent of the whole fee, or a rent-charge in fee, reserved on a fee farm grant for building purposes, or a term of years absolute.
2. Every other estate or interest purported to be created is to take effect in equity only, as a trust.
3. Every person having either a legal or equitable estate in fee simple, or a rent-charge in fee, or a term of years absolute, to have complete power to dispose thereof for all purposes by sale, mortgage, leasing, and otherwise; but so that a restriction may be imposed preventing disposal without the consent of persons named.
4. The power of disposition to be subject, in the case of an equitable fee, to any equitable fee having priority over the estate of the person making the disposition, but free from all subsequent estates, trusts, and rights, notwithstanding notice thereof. It is not necessary or advisable to specify that the disposition must be in favour of a *bonâ fide* purchaser. A fraudulent disposition could be set aside in a proper case.
5. A real representative to be constituted, in whom all interests in land, freehold and leasehold, shall vest, in like manner, and with all the same powers and rights, as in case of an executor as regards leaseholds.
6. A distringas register to be established, which is to be made the only search obligatory on a purchaser whether as regards bankruptcy or otherwise.

The result would be to reduce the title to land to a series of simple conveyances of the legal fee simple, or a rent-charge in fee, or a term of years absolute apart from all equities. No case would arise requiring evidence of death, failure of issue, number of children, or as to who is eldest son, or any matter of pedigree, or as to any other matter except identity of parcels. All such evidence would affect the equities only, and would fall off from the title when the legal fee which they affected is alienated.

Examples :—

1. A mortgagor makes six successive mortgages, and then sells. At present all six mortgages remain on the title. Under the above scheme, the purchaser takes a conveyance from the first mortgagee and succeeds to his power of absolute disposition of the fee just as if he had sold under his power of sale; and the other five mortgages become immaterial.

2. A settlor conveys to the use of himself in fee simple, with a proviso restricting alienation without consent of persons named (who will be the trustees for the purposes of the Settled Land Acts). He then, by a separate deed, declares a trust for himself for life, with remainders over, and with charges of jointures, portions, &c. On his death, his real representative conveys the fee to the next tenant for life, with the like restriction. When the settlement is spent by bar of the entail and payment of charges, the fee is conveyed to the beneficial owner, and all dealings with charges fall off the title; any continuing jointures or unpaid charges may be secured by distringas, or by a term of years absolute. The appointment of new trustees can be arranged so as not to bring the deed of appointment on the title.

The above two examples are sufficient to show that the abstract of title will contain only a succession of short conveyances in fee, or for a term, giving no trouble except as to identification of parcels, which cannot be avoided.

The scheme fits in with the Settled Land Acts, under which a tenant for life is practically owner of the fee, subject to a restriction on disposal. In other respects it is based entirely on existing principles and practice. No new principles of law will be introduced, and a large amount of technical law will become obsolete.

I think the scheme is capable of being applied at once to settlements; and would, therefore, soon come into operation as regards all land.

I need not go into further details. I think all difficulties can be provided for without undue inconvenience.

Edwd. P. Wolstenholme.

APPENDIX, No. 3.

PAPER handed in by Mr. *E. P. Wolstenholme*, 27 May 1895.

THE INSTITUTE.—LAND TRANSFER BILL, 1895.

REPORT of Committee appointed on the 14th May, 1895, to consider the Bill.

The Committee have limited themselves to considering whether the Bill, in its present form, can be considered as introducing a system of Land Transfer likely to be satisfactory from the point of view of public advantage and security to property, and whether any and what alterations and improvements are necessary or desirable to make it satisfactory from that point of view.

"The Bill" refers to the Bill for the Land Transfer Act, 1895.

They pass over, on this occasion, the controverted question as to the probable success of the new compulsory system in reducing the cost of conveyancing,* and they refrain from mere verbal criticism, and from suggesting the wording of amendments to carry out their suggestions.

"The Act" refers to the Land Transfer Act, 1875.

The Bill proposes to introduce compulsorily the existing Land Registry system with some modifications, and the Committee are of opinion that this proposal is open to serious objection in connection with—

(*a.*) the existing system.

(*b.*) the method of making it compulsory.

It has not been found convenient to keep these two branches of the subject wholly distinct in stating the points on which the Committee think the present proposals require modification, or to arrange the points in order of importance. Further, the Committee cannot pretend in a report of this nature to exhaust the whole of the minor details on which suggestions might be made, or to deal with Sections 5 to 11 of the Bill, which relate to transmission on death—a subject which requires separate treatment.

They content themselves with recommending that the Government should be urged to consider the following important matters:—

(A.) It should be provided clearly and absolutely that the rightful owner in possession should not be liable to be evicted by mere registration or transfer over his head. His possession should be secured without any chance of relegation to compensation, and the new-comer should in proper cases be compensated. Section 3 of the Bill should be amended to meet this point.

In fact, all registrations and transfers should be subject to the rights of the person in possession, and Section 18 of the Act should be amended accordingly, or independent provision made.

Compensation Bill, s. 3, Act, s. 7, 30, 95–6.

(B.) A registered title should be subject to be defeated by the operation of the Statute of Limitations (at present excluded by Section 21 of the Act, which section should be repealed), and provision should be made to enable the registration in proper cases of titles founded on the statute when it has run.

Statute of Limitations Act, s. 21.

(C.) On first registration the register should contain entries of all easements and profits *à prendre* created by instruments (*see* Section 18 (3) of the Act). The necessity for this is shown by Section 12 (i) (ii) of the Bill. "Covenants" should be added to the "conditions" mentioned in Section 84 of the Act.

Easements, &c. Act, s. 18 (3), s. 84. Bill, s. 12 (ii).

(D.) Provision should be made for the entry on the register of easements and profits *à prendre* created by instrument after registration, which at present is only allowed (if at all) at the discretion of the Registrar, and of restrictions and covenants imposed or executed independently of registration or transfer for value, to which occasions such entry is now limited by Section 84 of the Act.

Easements after registration. Act, s. 84.

(E.) Having regard to the questions which arise as to the enforcement of covenants and the extent of easements, an entry should be permitted by reference to the instruments containing the covenants or creating the easements—the instruments being lodged in the Registry.

Reference to deeds.

(F.) It should be made clear that separate registration is permitted of mines and minerals where severed from the surface after the original registration of the land.

Minerals apart from surface. Act, s. 82.

(G.) Registration of undivided shares should be permitted, now prohibited by Section 83 (2) of the Act.

Undivided shares. Act, s 83 (2).

(H.) Registration being compulsory, applicants for registration with a possessory title should be relieved from making the statutory declaration of title and power to dispose (Rules of 1889, Form 1) now prescribed, as a man may have a perfectly good "holding title," and yet may be unable to make the declaration. Notices under Section 6 of the Act should be carefully guarded so as not to rake up stale claims.

Practice on registration.

(J.) The application for registration or transfer should be permitted to have the land described by the name of the property, and by some description of boundaries, abuttals, measurements and occupancy in addition to the map, which alone is used in practice, see "Examples, &c.," issued by the Land Registry, 1893, p. 8, Form 1A. In case of dispute as to boundaries all these matters are of great importance. Probably the safest plan would be to allow the parties to describe the land in whatever manner they please subject to the approval of the Registrar, with an appeal to the Court. But it is quite impossible in a map alone to attain to the minute accuracy required in building estates, or in dealing with small strips of land a few feet or inches wide. Section 83 (5) of the Act shows that accuracy is not guaranteed by the present system.

Description of parcels.

(K.) The provisions debarring persons from compensation and making them liable to indemnify the Crown where they have caused or contributed to the loss are too general. The latter liability at all events should be restricted to neglects or defaults amounting to fraud. Mere mistakes on the part of parties or their agents should not be so severely visited.

Liability of parties. Bill, s. 3 (3) (6).

(L.) The

* I am requested by some of the signatories, whose views are not expressly indicated below, to say that they are not to be considered as expressing or intimating an opinion in favour of compulsory registration. *H. W. E.*, Secretary.

Award of compensation. Bill, s. 3 (5).

(L.) The Award of Compensation should, if either party desire, be made by the Court. If the Court has jurisdiction only by way of appeal it will act on the ordinary lines and only vary the amount where there has been an error in principle or a very gross under-assessment. The Registrar should be empowered to agree to the compensation, but not to decide it judicially.

Period of claim. Bill, s. 3 (7).

(M.) The period for claiming compensation should not commence to run until the party claiming (being *sui juris*) has had notice of his rights or of the facts giving rise to his rights. In the case of an entry on the register obtained by fraud or forgery, the fraud, &c., may not be discovered until some future dealing with the land or charge comes to be registered.

Title for purchasers. Bill, s. 12.

(N.) The statutory declaration under Section 12 (i.), (ii.), should omit easements, &c., if they are to be entered on the register as above suggested.

Clearing off equities. Bill, s. 12.

(O.) The provisions as to the title to be required by a purchaser are incomplete. If the purchaser has notice of equities (which are left operative under Section 49 of the Act) he must be allowed to require them to be cleared off, and to have abstracts and production of all necessary documents and proof of necessary facts.

Correction of register. Bill, s. 12.

(P.) A purchaser should be entitled, on completion, to see that the entry of his vendor's title is duly corrected. See Section 29 of the Act.

Land certificate. Bill, s. 14.

(Q.) All the privileges conferred by Section 14 on a deposit certificate should be conferred upon the land certificate, which should be placed on the same footing as ordinary certificates of stock.

Rules. Bill, s. 20 (i), Acts, s. 111.

(R.) The making of rules for introducing compulsory registration, and for bringing leaseholds under registration and other purposes, should be entrusted to a larger body than the Lord Chancellor and Registrar. We suggest that such body should include persons representing the legal profession, for example, a judge or judges of the Chancery Division, one or more of the conveyancing counsel of the Court, or other counsel, nominated by the General Council of the Bar, and one or more solicitors nominated by the Council of the Incorporated Law Society. Inasmuch as most of the machinery of registration must necessarily be left to rules, we think it most important that the rule-making authority should be thoroughly representative and not merely official.

Board of administration. Act, s. 106.

(S.) We also suggest that the administration of the new system should be entrusted to a board, of whom one should be a member of the House of Commons, and the others should have had wide professional experience. Such an arrangement would enable much greater discretion to be exercised in reference to the forms of registration than can be entrusted to a single officer, and we think that if the new system is to be successful, it must be made capable, by the use of a wise discretion in these matters, of being adapted to the multitudinous and varying requirements of the commercial dealings with land.

Bill, s. 21.

(T.) The meaning of Section 21 of the Bill requires elucidation. At present it is difficult to perceive its intended operation.

Willoughby J. G. Loudon, President.
Edwd. P. Wolstenholme.
H. R. V. Johnson.
Spencer P. Butler.
Henry Casson.
Thomas Key (see below).
J. Bradley Dyne.
Arthur Underhill.
Philip S. Gregory (see below).
Howard W. Elphinstone, Secretary (see below).

We concur in the recommendations of the Committee :—

Edward R. Howe.
Thos. C. Wright (except as to recommendations (A.) and (J.), see below).
W. Morshead.
C. T. Simpson.
Jasper K. Peck.
John Dixon.
W. Donaldson Rawlins.
Reginald J. Cust.
William M. Spence.
John Whitehead.
F. Pollock.
H. W. Challis (see below).
L. G. Gordon Robbins (see below).
H. Gaselee (except as to recommendations (B.) and (C.), see below).
F. E. Armitstead (except as to recommendations (A.) and (B.), see below).
Wm. B. Coltman (see below).
Frank L. Wright (except as to recommendations (A.) and (J.).
H. C. Hull.
Alexander Dauney.
Geo. Borthwick.
Alfred Bailey.

Mr. *Thos. C. Wright* says :—"I concur in the recommendations of the Report, except—

"(A.) which I think would necessitate personal, and in the case of a sale of a large estate often futile inquiry on the land, and would render registration unreliable."

"(J.) I am not satisfied as to the impossibility, or even as to the difficulty of attaining by means of a plan sufficiently minute accuracy as to boundaries of small plots of building estates, and I think that in the comparatively rare cases in which more is required, the plan might be elucidated by a note written upon it."

Mr. *Coltman* is of opinion that recommendations (A.) and (B.) are absolutely fatal to the present scheme.

Mr. *Key* says :—"That his signature is subject to dissent or doubt as to the whole or parts of paragraphs (C.), (D.), (E.), (J.), and (S.), and with grave misgivings as to the consequences of compulsory registration, under a system so defective and wanting in simplicity as the present, especially in the case of settled land and in the existing state of tenures."

Mr. *Gaselee* says :—"My reason for not concurring in (B.) is that I think the Register should be conclusive evidence of ownership, subject to the right of the person in possession at the time of registration being guarded. In connection with (A.) and (B.), I think the person in possession might reasonably be required to state, upon application by the Registrar, the nature and extent of the interest which he claims.

"My reason for not concurring in (C.) is that it might be impracticable to make entries of all instruments creating easements, and profits *à prendre*, since the persons entitled thereto could not generally be parties to the registration proceedings, and that an incomplete Register would be misleading.

"As to the Report generally, I think the Committee have not made it sufficiently clear whether they object to compulsory registration altogether, or whether their objections would be removed by the adoption of their suggestions."

Mr. *Robbins* says :—"I would, however, consider that the attention of Parliament might well be directed to the question of registered charges and registered notices, and cautions relating to unregistered dealings with registered land. The charges refered to in ss. 22 *et seq.* of the Act appear to be charges by way of mortgage to secure loans, but

but it is obvious that other charges may be made by registered proprietors of land, such as rentcharges, annuities, &c. Even as regards charges by way of mortgage the facility of creation may not improbably lead to multiplicity of charges which may even be for small amounts, and, as is found by experience to be the case in other countries where registration of charges is required or permitted, the cancellation of the entries at the proper time may be neglected, and thus lead to great trouble, delay, and expense upon subsequent dealings with the land. I should, therefore, suggest that it may be worth considering that the principle requiring periodical re-registration of charges as in the case of judgments and bills of sale might ~~not well be~~ required in the case of registered charges and registered notices, &c., of unregistered dealings with land. The determination of a caution (s. 54 of the Act) at a few days' notice appears to be somewhat peremptory and oppressive. It may, however, well be that the same period of re-registration might not be appropriate to all classes of dealings with land.

"I would observe that the omission of a mortgagee or chargee to register would not affect any other (except as against the land charged) his remedies for enforcing payment of the moneys due to him."

Mr. *Challis* concurs in the recommendations of the Report, in the sense that he thinks that their adoption would improve the Bill; but he says:—"In my opinion no system of registration could be devised which would enable the ordinary business relating to land, as it now is, to be conveniently transacted through a Registry. This could only be done by reducing all such business to the simplest types. I should not wish it to be thought that, by implication, I think favourably of the general proposal."

Mr. *Gregory* thinks that the existing registration system is unsatisfactory, and unsuited to the general needs of the dealings with English land, and that it contains elements of serious danger. He, therefore, thinks that it should not be made compulsory.

At the same time he wishes to reserve any opinion as to the possibility of a satisfactory system of registration being ultimately evolved and gradually introduced, some conveyancing reform being, in his view, undoubtedly required.

Mr. *Armitstead* is strongly in favour of registration of title, though he considers that the system proposed by the Bill requires the safeguards indicated by the Report of the Committee, except as regards paragraphs (A.) and (B.); he thinks that the danger referred to in paragraph (A.) should be met by proper inquiries being made, probably by an official, before the name of any person is entered on the Register as the owner of any previously unregistered land.

Sir *Howard Elphinstone* is strongly in favour of registration of title. He considers, however, that the "Land Transfer Act, 1875," is extremely dangerous, as it renders it possible for the owner of registered land to lose it by forgery, a risk incurred in no other case by the owner of property. For this reason, as well as others, he considers it not advisable to render registration under that Act compulsory.

Circulated by Order of the Institute.

Howard W. Elphinstone, Secretary,
2, Stone Buildings, Lincoln's Inn.

APPENDIX, No. 4.

PAPER handed in by Mr. *John Hunter*, 30 May 1895.

Land Transfer.

Draft Report submitted by Mr. Hunter to the Committee of the Council of the Incorporated Law Society, appointed to take into their consideration the suggestions relating to the improvement of the Law of Real Property contained in the Address of the President, and to elaborate and bring forward proposals in the direction of the President's Suggestions.

A Draft Report was prepared by the president, in accordance with the directions of the Council, elaborating the suggestions put forward in his address at Bristol for the improvement of the law of real property. This report was drafted on the lines of altering the existing law, so as to enact that purchasers of real or leasehold property acquiring the legal estate in the property purchased should be relieved from the necessity of inquiring into the equitable as well as the legal title to the property purchased.

The Draft Report, after pointing out that the most important difference between the title to real and chattel real property, on the one hand, and personal property on the other, so far as it depends on legislation or judicial decisions, is, that in dealing with real property the law has imposed upon a purchaser of it the necessity of seeing not only that he is getting a transfer from the legal owner, but also of ascertaining that all persons having any equitable interest in it, of which the purchaser has notice, concur in the sale, or that the purchase money is applied in discharge of their claims, suggested that the first step towards simplifying title to real estate is to enact that a purchaser acquiring the legal ownership of it shall not be affected by any equitable claims to or on the property, whether he has notice of them or not.

This is the rule universally applied either by law or by contract to personal property passing by transfer on a register; it applies to real estate, of which the title is on the land registry, and it applies to chattels passing by delivery, if sold in market overt, and the report recommended that the rule should be made applicable to real property.

A necessary consequential alteration in the law will be to require that there should always be a legal owner in fee, and to enact that such legal owner should, subject, as subsequently set out, have absolute power to dispose of the whole fee without the concurrence of any other person; and to ensure this it will be necessary to prohibit the creation in future of legal estates in real property other than in fee simple, or for a fixed term of years.

To effect this will require the repeal, or the limitation to equitable interests, of the Statute *De Donis*, under which estates in tail are created, and the repeal of the Statute of Uses, by means of which legal estates can be limited for life, and so as to shift from one owner to another on the happening of all sorts of contingencies.

If the Statute of Uses is repealed, the Statute of *Quia Emptores* must also be repealed, so as to enable a grant of the fee to be made subject to a rent-charge. All rent-charges created in any other manner should be equitable charges only not affecting land in the hands of a purchaser.

It will also be necessary to repeal the Satisfied Terms Act, under which at present a legal term is determined on the happening of some event such as the payment or satisfaction of a charge.

To facilitate the investigation and proof of title, it will also be necessary that, on the death of a person in whom the legal estate is vested, it should vest in his legal personal representative.

Dower and estates by courtesy should be converted into equitable estates.

The Succession Duty Act, and the Finance Act, would require to be amended so as to relieve purchasers acquiring the legal estate from being liable to them, and Crown debts should not affect real estate any more than personal estate.

So far as concerns land settled after the alterations in the law herein suggested have been made, it would be necessary to alter the Settled Land Act, so as to enact that when there is a tenant for life, who would of necessity have an equitable estate only, the trustees of the legal estate should execute the conveyance, and should be under obligation to do so on proper request from the tenant for life, as an administrative act, without discretion or responsibility on the part of the trustees; otherwise a purchaser acquiring the legal estate from legal trustees would be liable to be overridden by a conveyance from an equitable tenant for life, of whose existence the purchaser would have no notice. It would also be necessary to repeal Section 34 of the Conveyancing Act, 1881, authorising persons having power to appoint new trustees to vest the legal ownership of the trust estate in the new trustees, without a conveyance from the retiring trustees.

With these alterations an abstract of title would only contain an abstract of such parts of each deed as conveyed the legal estate; the purchaser would no more have to inquire whether the beneficial interest in the property was free, or strictly settled, or incumbered, than a purchaser of stock now has to inquire when he takes a transfer of consols from two or more persons, what they are going to do with the purchase-money. A purchaser would very rarely have to require proofs of death, and never of heirship.

And further, these alterations would get rid of all the difficulties imposed by the Courts of Equity on sales by trustees, which, notwithstanding the Trustee Act of 1888, are again cropping up—*e.g.*, the recent decision "in *re* Hetling and Merton's Contract" (Kekewich, J., L. R. Chancery, 1893, vol. 3, 277), "that an attorney for one of a set of trustees executing a conveyance cannot authorise an agent to receive the purchase money."

If this scheme were made law the proof of title to real property by a vendor and the transfer of it to a purchaser would be so much simplified that the charges for such work might be diminished without injustice to the profession.

It would give all the simplicity of a transfer on a register without the inherent disadvantages of having private affairs conducted by an official department, with the consequent delay and fees. And it would further get rid of the very substantial risk that a registered owner must always be liable to, of being deprived of his property by fraud or forgery. On the system here proposed no legal owner could be deprived of his property without either his own signature or an order of a Court.

The Registrar of the Land Registry points to the cheapness of transferring land by entry on the Registry compared with the expense of transfer by deed, but the fees in the Land Registry are an addition to, not a substitution for, the expenses of transfer. If a purchaser likes to do his own work instead of employing a solicitor, his expense is nothing beyond the stamp duty; and if the suggestions now made were adopted, a purchaser would have little more difficulty in investigating the title to the legal estate than in examining it on the register, and much less formality in transferring the property when satisfied with the title.

The

The majority of the Committee by whom this draft report was considered were of opinion that, down to this point in the draft, the principle on which it was based, viz., that increased simplicity of transfer could best be attained by the separation for the purpose of investigation by a transfer to purchasers of the legal estate for all equitable interests, as is the rule in dealing with other classes of property, was one with which they agreed, and that, subject to a more critical examination of details, the changes mentioned in the draft report as requiring to be made in the existing statute law would have to be made to carry it out.

But the draft report went on to state that—

> As these alterations would leave equitable owners of land without protection against fraudulent trustees, and as trustees of land have been hitherto selected without the same consideration as trustees of stocks, because of the impossibility of their dealing with their trust property without the concurrence of the beneficiaries, and the draft suggested that it would be necessary to have a register where a caveat could be registered, either the central office or the land registry, if that is continued, where anyone claiming any interest in land could enter a caveat against the legal owner to restrain him from transferring any particular real property to be defined in the caveat, the index to the caveats being kept in the name of the legal owner, with a column giving the name of the parishes or some other sufficient and limited description, the caveat being warned off by a person wishing to deal with the property, and being of no effect unless followed up within a time to be prescribed by a restraining order of the court in the same way as the notice in lieu of distringas in the case of stocks.
>
> With this protection the registration of *lis pendens* and the law that a purchaser buying real property subject to a suit buys it subject to the result of that suit could be repealed.
>
> The system of caveat suggested was that anyone claiming the right to prevent the legal owner selling land without consent of the claimant, in whatever capacity he claims the right to restrain, should on filing an affidavit similar to that now required to obtain a distringas have the right to file on the register a notice that the person warned is not to sell the land described without the consent of the cautioner.
>
> The register to be indexed in the name of the person warned, and to contain three columns only: name and address of person warned, name and address of cautioner, name of parish in which the property is situate.
>
> The notice to be filed and an index kept in every county court register, with a central register in London covering the whole of England, all notices being forwarded to central office every day.
>
> If the general register in London was indexed under the two first letters of the name as the old Common Pleas Judgment Register was, viz., *La*, *Ha*, *Pe*, the labour of searching say for six years would be very slight. Provision might be made for having a lexicographical index of all persons warned whose names remained on the register more than say six years. This was done periodically on the old Common Pleas Register of Crown Debts.
>
> The cautioner to be at liberty to consent to the sale of any particular part of the property, without affecting the caveat generally.
>
> The withdrawal of the caveat to be by a form to be prescribed affording sufficient security against fraud.
>
> On withdrawal the register to be marked as the Middlesex register is in the case of equitable mortgages when satisfied, by a stamp on the name of the person warned. The Middlesex registry use the word "Vacated."
>
> The caveat to be either a caveat to be warned off on so many days' notice to the cautioner, or an inhibition not to be got rid of without the actual consent of the cautioner or an order of the court. In any case the court to be at liberty to condemn in costs a cautioner registering a caveat improperly or improperly refusing to withdraw it.
>
> The caveat to be served by the cautioner on the person warned when the caveat is entered.
>
> The draft left the questions open whether the register should be public or private, or whether provision should be made for official searches, or the searching left to purchasers or their solicitors.

Very strong objection was felt by many members of the Committee to the proposal to have equitable interests protected by caveats of which there would have to be an index or register, partly from the fear that this would be a step towards the establishment of an universal system of land registry, and partly on the ground that the system, however worked out, must cause a substantial amount of work, and consequently of expense, in putting on, and warning off caveats, searching registers, &c. As alternatives it was proposed :—

> (*a*) That the deed of conveyance might have inserted in it or endorsed on it a notice that the property could not be conveyed without the consent of or without notice to persons to be named.
>
> (*b*) That equitable interests might be sufficiently protected by personal notice to the legal owners, they being responsible for conveying in defiance of such notice, but the property in the hands of a purchaser being free.
>
> (*c*) That the fee-simple should always be vested in more than one person, *i.e.*, that one person should have no power to convey it. This was modified into a suggestion that where the legal estate on the last transfer had been vested in more than one person, a purchaser taking a transfer from the survivor of them should be obliged to inquire into the equitable title.

The Committee, on full consideration of this draft proposed report, resolved :—

> 1. That no system of land transfer which involved a register of caveats to protect equitable interests would be a satisfactory substitute for the present system.
>
> 2. That they did not approve of protecting equitable interests by endorsing notice on the deeds that the property could not be conveyed by the legal owner without the consent of some other person.
>
> 3. They did not approve of the suggestion that a purchaser from one person or from a sole survivor of joint tenants should be obliged to inquire into equitable titles.

The effect of these three resolutions is that the Committee do not see their way to approve of either of the modes hitherto suggested for protecting equitable owners against fraud on the part of trustees having the legal estate. No other plan for doing this was proposed, so that if the alterations in the law of real property set out in the draft report were to be adopted, the owner of equitable interests in land would have to rely entirely on personal notice to the trustees; and, having arrived at this point in the consideration of the scheme, the Committee submit to the Council whether it is desirable that the Council should put forward any scheme at all for altering the present system.

APPENDIX, No. 5.

PAPER handed in by Mr. *C. T. Saunders*, 10 June 1895.

[Re-printed (with a slight modification) June, 1895.]

THE BIRMINGHAM LAW SOCIETY.—LAND TRANSFER BILL, 1893.

REPORT.

On the 25th April a circular was sent to all the members of the Society requesting certain details as to conveyancing transactions, with a view to show the expedition with which such matters are effected under the existing system, and the frequently small cost involved. The return asked for extended to (1) transactions between 1st January 1890, and the present time, where the consideration did not exceed 600*l.* ; and (2) a few transactions over 1,000*l.*, for the purpose of indicating that, even in large matters, the charge authorised by the "scale" is seldom obtained in this district. Time being of moment, a reply was requested in the course of three or four days, and this accounts for the fact that a larger number of returns were not received. It cannot be too strongly urged that the transactions referred to below are extremely few as compared with the far larger total which would represent the conveyancing business of this City alone during the special period named. Many of the offices which have responded to the appeal have stated that their return includes only a very few matters, taken haphazard, and that time has prevented their attempting anything approaching to a full statement.

I.—*As to Transactions not exceeding* 600*l.*

Forty-one offices have sent in returns under this head, including a total of about 1,265 transactions, and giving particulars of the time occupied and the cost involved in the carrying through of these various matters.

Time.—It is difficult to give any definite average as to the time occupied, but speaking generally, in the vast majority of cases it has varied between a few days and a month or six weeks ; while in several instances the instructions have been given and the matter completed on the same day.

It has always to be borne in mind when considering this branch of the subject that in by far the greater number of cases completion of a sale or purchase could, as far as the purely legal part of the transaction is concerned, take place within a comparatively short period after instructions are received ; the delay, when there is any, is almost invariably caused by the necessary arrangements which have to be made by the client for obtaining the money to pay for his purchase. Frequently the requisite amount is not at call, but notice has to be given before it can be obtained ; or, again, an investment has to be realised or a mortgage called in, all of which proceedings involve an expenditure of time for which the solicitor concerned is in no way responsible. And even in the case of sales by auction the same consideration applies, for the vendor is, as a rule, obliged to allow a reasonable time for completion in order to suit the possible convenience of a purchaser who might otherwise be deterred from bidding.

Cost.—On the subject of cost the summaries contained in Appendices I. and II. hereto will afford some general idea as the result of the inquiries instituted.*

To these figures must be added the *ad valorem* duty of 10*s.* per cent. for purchases, and 2*s.* 6*d.* per cent. for mortgages to obtain the total cost. While the above is an average for the amounts specified the returns also clearly show that in very many of the small transactions, say of from 150*l.* to 300*l.*, the cost, exclusive of the stamp, is less than 1 per cent. Doubtless these are special cases, but they at least prove that where circumstances require it the present system can be and is adapted to meet them.

One Birmingham firm has furnished particulars of 178 transactions not exceeding 600*l.* completed within the year 1890, and in which expedition and cheapness are specially exemplified. Most of these matters were carried out within three or four weeks, and some within a few days of the instructions, at an average cost seldom exceeding and frequently less than 1 per cent. and the stamps.

Another firm has given the following details respecting an estate divided into small building lots :

> "Instructions received 15th August, 1892, for 98 conveyances and 72 mortgages, the consideration varying from 45*l.* to 240*l.* The whole ready for completion by the 9th September ; actual completion as follows :—One on 28th August ; three on 31st August ; one on 9th September ; ten on 10th September ; twelve on 12th September ; nine on 13th September ; and the remainder during September and October."

A similar instance is thus mentioned by another firm :—

> "Another case is that of a building estate, consisting of small plots (purchase money usually under 100*l.*), for which we draw and complete the conveyance on payment by the purchaser of two guineas and the stamps, irrespective of the amount of the purchase money."

II.—*Transactions of* £.1,000 *and upwards.*

A few returns under this head have been supplied by 20 offices.† They bear out the opinion which the society holds to the effect that even in the larger transactions the same despatch is frequently attained, and that the professional charges are, as a rule, below those authorised by the scale made in pursuance of the Solicitors' Remuneration Act.

It

* The Appendix to the original report contained details of numerous conveyancing transactions, and a short summary was inserted here. The details thus given with regard to conveyances and mortgages have now been epitomised, and the results will be found in the Appendices hereto.

† *See* Appendix III.

It is submitted that the statistics contained in this Report incontestably show that, in this district at least, small transactions are commonly effected with a despatch and at a cost which could hardly be attained, much less surpassed, by any plan of title registration. It is, of course, impossible to indicate in detail the points in which a system such as is contemplated under the present Bill will be more troublesome and expensive than the present system, as the Bill is silent on the subject of the machinery by means of which it is to be worked, but the following, among other points of a general nature, appear to apply with great force to the proposal for compulsory registration.

The amount of detail work involved in the every-day conveyancing transactions of an old country, such as England, is so enormous that no office of registration, the working of which is based on the principle of greater expedition and less expense than under the present system, could possibly keep pace with it. That there is abundant reason for this statement a glance at the figures in the Appendix to this Report will show, and particularly if it is borne in mind that they indicate but a very small part of the conveyancing business of Birmingham and the vicinity alone, during the years to which they relate, and that scarcely any of the larger matters are included. Under such a system of registration as is suggested there must either be comparatively few registries, in which case the necessary transmission of documents and information to and fro, in the cases of towns and districts at a distance from the registry, would involve vexatious and often disastrous delay, and much additional expense, to say nothing of the risk attendant on such a course; or, on the other hand, a large number of local registries must be established with low fees and charges, and this would, in the result, add to the taxation of the country, or, in other words, to the cost of conveyancing.

Again, a registry of title, as opposed to a registry of deeds, involves an act of discretion on the part of the registrar; his functions are not merely mechanical but *quasi* judicial; he must, perforce, put questions and raise objections which have to be answered and disposed of, in a far more precise and methodical manner than is frequently the case at present when it is open at all times to a purchaser to accept a title with its defects, and to take what risk there may be on his own shoulders. Apart from the fact that the registrar must, in order that he may be able to fulfil the duties of his office, be a highly paid official, all these considerations again point to inevitable delay and expense, for the experience which the members of this society have had of the working as well of the existing land registry system, as also of Government offices in other branches of legal work, convinces them that the substitution of the rule of officialism in the place of the conduct of business by means of individual enterprise, invariably leads to the adoption of stereotyped and rigid methods of procedure, with the necessary accompaniment of loss of time and costliness.

On the subject of advances by bankers, to which attention has been specially called, it would seem that compulsory registry of title would greatly and detrimentally interfere with this particular class of business. At the present time such advances are made with absolute secrecy (frequently a matter of vital importance), at a small cost (professional assistance being seldom invoked), and with the despatch which the urgent necessity of the case constantly demands. If a plan of registration were established, such transactions could in future only be provided for by means at least of a system of "cautions;" the fees of the registry would have to be paid in addition to the stamp duty, and it would seem that the time occupied in the completion of the transaction must be considerably greater than it is at present, when an interview of half-an-hour's duration in the bank manager's private room is frequently all that is required.*

In conclusion, it should, for fear of misapprehension, be stated that the society is fully aware that the present Bill, as it stands, applies to freeholds alone, and does not extend to leasehold property and mortgages. At the same time there are indications which have raised grave apprehensions on their part that, if it became an Act, its scope would be speedily enlarged so as to apply to all conveyancing transactions, and it is, therefore, submitted that such portions of this report as have special reference to leaseholds and mortgages are pertinent to the matter in hand.

On behalf of the Society,

L. W. Lewis, President.
J. B. Clarke, Vice-President.
May 1893. *Thos. H. Russell*, Hon. Secretary.

* It will be remembered that this Report refers to the Bill of 1893, which differed from that of 1895 on the subject of this paragraph.

Appendix I.

Analysis of 747 Purchase and Sale Transactions up to 600*l.*

	£. 100.		£. 200.		£. 300.		£. 400.		£. 500.		£. 600.	
	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.
		£. s. d.		£. s. d.		£. s. d.		£. s. d.		£. s. d.		£. s. d.
1890 - -	60	160 18 10	68	230 10 10	38	136 6 1	36	144 8 9	37	172 13 –	41	228 18 –
1891 - -	52	129 11 1	49	152 7 8	48	173 7 10	32	131 15 2	17	79 19 11	14	78 8 –
1892 - -	54	130 18 9	40	126 3 10	38	141 7 3	27	104 15 6	29	141 5 –	24	139 13 2
1893 - -	14	25 7 6	8	22 10 6	6	21 18 6	6	22 16 –	7	28 11 –	2	9 5 –
Totals - -	180	446 16 2	165	531 12 5	130	472 19 8	101	403 15 5	90	422 8 11	81	456 4 2

Average Cost of each Transaction.

	£. 100.	£. 200.	£. 300.	£. 400.	£. 500.	£. 600.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Averages - -	2 9 7	3 4 5	3 12 9	3 19 11	4 13 10	5 12 7

Appendix II.

Analysis of 305 Mortgage Transactions up to 600*l.*

	£. 100.		£. 200.		£. 300.		£. 400.		£. 500.		£. 600.	
	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.	Number of Transactions.	Total Cost exclusive of Stamps.
		£. s. d.		£. s. d.		£. s. d.		£. s. d.		£. s. d.		£. s. d.
1890 - -	25	56 – 9	35	103 17 1	29	115 11 9	31	132 1 8	23	141 13 –	19	138 8 8
1891 - -	5	8 16 3	14	42 14 –	17	65 19 –	10	40 6 4	6	28 17 3	11	66 18 6
1892 - -	9	21 12 10	12	32 17 5	19	77 3 3	11	41 2 –	11	55 12 –	7	38 6 –
1893 - -	4	9 – 6	1	3 11 –	4	13 17 6	1	2 7 –	1	5 – –	–	—
Totals - -	43	95 10 4	62	182 19 6	69	272 11 6	53	215 17 –	41	231 2 3	37	243 13 2

Average Cost of each Transaction.

	£. 100.	£. 200.	£. 300.	£. 400.	£. 500.	£. 600.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Averages - -	2 4 5	2 19 –	3 19 –	4 1 5	5 12 8	6 11 8

Appendix III.

Return of a few Transactions over £. 1,000.

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamp).
		£. s. d.		£. s. d.	£. s. d.
– July 1890	Mortgage	1,000 – –	– July 1890	16 5 –	11 5 –
– July „	Purchase	1,000 – –	– Sept. „	20 11 –	15 11 –
1 Feb. „	Purchase	1,000 – –	11 Feb. „	11 5 –	10 –
24 Jan. „	Purchase	1,035 – –	18 Feb. „	15 15 –	10 10 –
3 Mar. „	Conveyance	1,050 – –	9 May „	14 – –	8 15 –
2 Jan. „	Conveyance	1,075 – –	1 Feb. „	10 10 –	—
– May „	Purchase	1,090 – –	9 June „	15 16 10	10 11 10
8 July „	Sale	1,100 – –	29 Sept. „	11 – –	—
17 Feb. „	Purchase	1,100 – –	25 Mar. „	15 2 –	14 12 –
20 May „	Purchase	1,100 – –	24 June „	15 10 –	10 – –
17 Mar. „	Conveyance	1,100 – –	4 June „	10 10 –	—
19 Mar. „	Mortgage	1,100 – –	1 May „	12 12 6	11 – 5
13 Feb. „	Conveyance	1,120 – –	25 Mar. „	22 16 –	17 1 –
– Oct. „	Sale	1,162 – –	3 Nov. „	15 – –	—
27 Feb. „	Conveyance	1,200 – –	26 Mar. „	21 – –	—
27 Aug. „	Conveyance	1,280 – –	17 Oct. „	12 – –	—
– Nov. „	Mortgage (both parties)	1,300 – –	1 Dec. „	8 3 6	6 11 –
1 Nov. „	Purchase	1,307 8 11	3 Dec. „	25 5 –	18 10 –
– Feb. „	Sale	1,310 – –	– Feb. „	7 – –	—
– May „	Conveyance	1,340 – –	– June „	27 1 8	19 14 2
– May „	Mortgage	500 – –	– June „		
17 Sept. „	Conveyance	1,440 – –	29 Sept. „	22 10 –	—
20 June „	Purchase	1,450 – –	8 July „	19 5 –	12 – –
– Nov. „	Conveyance	1,550 – –	– June „	44 7 –	35 7 –
– Nov. „	Mortgage	1,000 – –	– June „		
20 June „	Mortgage	1,600 – –	31 July „	23 – –	21 – –
13 May „	Sale	1,600 – –	26 June „	17 17 6	—
10 July „	Sale	1,641 – –	25 Aug. „	11 17 6	—
3 Sept. „	Conveyance	1,750 – –	13 Oct. „	27 – –	18 5 –
21 Feb. „	Assignment	1,800 – –	20 Nov. „	18 – –	—
– June „	Purchase	1,900 – –	– June „	21 6 –	11 16 –
– Feb. „	Mortgage	2,000 – –	—	22 10 –	20 – –
6 Aug. „	Sale	2,102 13 10	30 Sept. 1890	18 18 6	—
1 June „	Sale (Auction)	3,700 – –	11 Aug. „	40 10 –	—
27 Nov. „	Purchase	2,750 – –	2 Jan. 1891	24 17 6	11 2 6
7 Aug. „	Mortgage	7,500 – –	11 Aug. 1890	80 – –	60 12 6
28 Nov. 1891	Sale	1,000 – –	– Jan. 1892	10 – –	—
23 Dec. „	Purchase	1,000 – –	28 Jan. „	16 19 –	11 19 –
– Aug. „	Purchase	1,020 – –	29 Sept. 1891	15 5 –	10 – –
24 April „	Purchase	1,050 – –	16 June „	16 – –	10 15 –
22 Nov. „	Assignment	1,050 – –	8 Dec. „	12 12 –	—
31 Jan. „	Sale and Purchase	1,070 – –	16 Feb. „	15 2 –	9 17 –
21 Oct. „	Conveyance	1,100 – –	25 Nov. „	22 18 –	17 8 –
– Dec. „	Purchase	1,116 – –	– Dec. „	18 12 6	12 17 6
– Sept. „	Purchase	1,130 – –	– Nov. „	18 12 –	12 17 –
3 June „	Purchase	1,150 – –	31 July „	16 10 –	10 15 –
17 Feb. „	Purchase	1,200 – –	25 Feb. „	14 15 –	8 15 –
– Feb. „	Purchase	1,350 – –	24 April „	25 – –	18 5 –
21 Oct. „	Purchase	1,410 – –	21 Dec. „	20 5 –	13 – –
– May „	Conveyance	1,500 – –	—	21 5 –	—
– Jan. „	Purchase	1,500 – –	17 Feb. 1891	18 8 8	10 18 8
– May „	Purchase	2,000 – –	24 June „	22 10 –	12 10
5 Sept. „	Mortgage	2,000 – –	10 Sept. „	18 10 –	16 – –

APPENDIX III.—Return of a few Transactions over £. 1,000—*continued.*

Date of Instructions.	Nature of Transaction.	Amount of Consideration.	Date of Completion.	Cost (including Disbursements).	Cost (excluding Stamps).
		£. s. d.		£. s. d.	£. s. d.
30 Jan. 1892	Mortgage	1,000 – –	22 Feb. 1892	16 10 –	15 5 –
9 June „	Purchase	1,000 – –	27 June „	20 – –	15 – –
20 April „	Conveyance	1,000 – –	3 May „	14 – –	9 – –
– June „	Sale	1,100 – –	– Aug. „	11 – –	—
18 Nov. „	Mortgage	1,100 – –	10 Jan. 1893	15 15 –	14 7 6
18 Jan. „	Conveyance	1,125 – –	4 Feb. 1892	13 17 –	—
– July „	Purchase	1,150 – –	– Sept. „	18 – –	12 5 –
5 July „	Mortgage	1,200 – –	15 July „	13 10 –	12 – –
3 Nov. „	Mortgage	1,200 – –	12 Nov. „	12 12 –	11 2 –
24 Oct. „	Conveyance	1,200 – –	23 Dec. „	17 5 –	11 5 –
– Mar. „	Purchase	1,220 – –	– May „	24 16 –	17 1 –
– Mar. „	Mortgages	1,200 – –	– May „		
14 Mar. „	Assignment	1,230 – –	27 June „	18 5 –	12 – –
– Aug. „	Purchase	1,230 – –	– Sept. „	29 8 6	23 3 6
13 Dec. „	Mortgage	1,250 – –	31 Jan. 1893	16 12 6	14 17 6
6 Feb. „	Conveyance	1,340 – –	25 Mar. 1892	19 – –	10 15 –
6 Feb. „	Mortgage	1,200 – –	25 Mar. „		
– Dec. „	Purchase	1,400 – –	30 Mar. 1893	21 7 6	14 7 6
7 Oct. „	Purchase	1,400 – –	17 Oct. 1892	17 – –	10 – –
5 Dec. „	Conveyance	1,480 – –	10 Jan. 1893	12 – –	—
19 June „	Conveyance	1,500 – –	8 Aug. 1892	22 10 –	15 – –
– July „	Conveyance	1,500 – –	– Aug. „	28 4 –	27 9 –
– July „	Mortgage	1,000 – –	– Aug. „		
– June „	Conveyance	1,625 – –	—	20 8 –	—
21 June „	Assignment	1,680 – –	11 July 1892	21 – –	—
– Feb. „	Conveyance	2,750 – –	– May „	29 19 5	—
– Aug. „	Conveyance	8,400 – –	—	48 7 –	—
28 Feb. 1893	Mortgage	1,000 – –	14 Mar. 1893	10 – –	8 15 –
– Feb. „	Purchase	1,000 – –	– April „	17 10 –	12 10 –
8 Feb. „	Conveyance	1,145 – –	8 Mar. „	15 15 –	10 – –
20 Jan. „	Conveyance	1,250 – –	6 Feb. „	13 19 –	—
– Feb. „	Mortgage	1,300 – –	– Mar. „	12 9 –	10 17 –
22 Mar. „	Assignment	1,425 – –	12 April „	21 5 –	14 – –

As to Costs.

Presumed Costs, 30 Years hence, in Cases where no anterior Investigation of Title required on a Transfer of Property, Value 500*l.*, registered with a Possessory Title.

	£. s. d.
Solicitor's fees, according to 1889 scale	4 4 –
Registry fees, including Land Certificate	2 7 6
	6 11 6
Add negotiation fee, where payable	5 – –
£.	11 11 6

In cases where investigation of title required, there would appear to be further charges in addition to those mentioned above, and these would be made out in accordance with Schedule II. of the Remuneration Order, 1882.

APPENDIX, No. 6.

PAPERS handed in by Mr. *Benjamin Greene Lake*, 13 June 1895.

LAND TRANSFER BILL, 1895.

MEMORANDUM by Mr. *Benjamin Greene Lake*, as to Legislation and Attempts at Legislation in recent years.

THE question of establishing some register as a record of dealing with land has been before Parliament and the public for upwards of 70 years. Registration of deeds has been established for nearly two centuries in Middlesex and Yorkshire, and for even longer in the Bedford Level.

In 1828 Lord Lyndhurst's Commission recommended the establishment of a general register of deeds in London, and Bills, with this object, were introduced into the House of Commons in 1830, 1834, 1845, 1846, and 1851, but never became law.

In the meantime great reforms were introduced into the then system of conveyancing. The principal measures were the Dower Act, Fines and Recoveries Act, the Wills Act, the Acts abolishing the necessity for a lease for a year, and declaring that land should lie in grant not in livery, and the Satisfied Terms Acts.

In 1854 a Royal Commission was appointed, which, in 1857, recommended registration of title, and in 1859 a Bill to carry out this recommendation was introduced by Sir Hugh Cairns (then Solicitor General), but did not become law. A Bill to establish a Landed Estates Court to which any person might apply for a declaration that he had established his title was also introduced, but this also fell to the ground.

In 1862 Lord Westbury introduced a Bill which became the Registration of Titles Act, 1862. The Act only provided for indefeasible titles, and contemplated the record on the register of—

(*a*) An exact description of the land to be registered.

(*b*) A statement of the persons, or classes, or descriptions of persons that are or may become entitled to such lands, and of the estates, powers, and interests that exist, or may arise or become vested in such persons respectively.

(*c*) A statement of the mortgages, charges, and incumbrances affecting such lands or any part thereof, and of the persons entitled thereto both at law and in equity.

In fact, to use an expression attributed to Lord Westbury, the register was to be a mirror of the title, and the indefeasible title applied even to the boundaries. The Act was permissive, not compulsory.

In the same year Lord Westbury carried the Declaration of Title Act, 1862, under which the landowner could apply to the Court of Chancery for a declaration that his title was indefeasible. This measure was alternative to the Registration Act, but was never taken advantage of, not a single application having ever been made under it.

In 1868 a Royal Commission was appointed to inquire into the operation of the Land Transfer Act, 1862, and reported in 1870. The Committee reported that the system established by the Act had failed, and they made recommendations in accordance with which the Act of 1875 was eventually framed. This report for the first time suggested the feasibility of registration of a merely possessory title which would avail nothing in early dealings, but would confer "a title increasing in validity until it becomes marketable in the technical sense, and practically "indefeasible."

Bills in accordance more or less with the recommendations of the Committee were introduced in 1870 and 1873. Both Bills provided for compulsory registration on sale after expiration of two years from the passing of the Act, but failed to become law.

In 1874 Parliament passed the Vendor and Purchasers' Act, 1874 (substituting 40 years for 60 years as a sufficient root of title under an open contract), the Real Property Limitation Act, 1874, and the Married Women's Property Act, 1874, and in the same year Lord Cairns introduced a Bill for compulsory registration of title on sale after three years from passing of the Act, with a proviso that purchases under 300*l.* were to be exempt.

The Bill passed through the House of Lords, and reached the House of Commons, where the compulsory character of the Bill was strongly opposed. Eventually the Bill was committed, but was subsequently withdrawn in consequence of the pressure of public business.

In the following year (1875) Lord Cairns re-introduced the Bill without the compulsory clauses, and gave at some length his reasons for abandoning them. These will be found in Hansard, 3rd series, vol. 222, p. 157. The Bill reached the Commons and was fully discussed, chiefly with reference to the question of compulsion (Hansard, 3rd series, vol. 224, p. 1414), and was ultimately passed, and became the Land Transfer Act, 1875, which is still in force.

In 1878 a Select Committee was appointed to inquire and report whether any, and what, steps ought to be taken to simplify the title to land, and to facilitate the transfer thereof, and to prevent frauds on purchasers and mortgagees of land. The Committee sat during two Sessions, and in June 1879 made their report. They reported that the Act of 1875 might be considered to have become, for all practical purposes, a dead letter, and that compulsory registration was not feasible, and recommended (amongst other things) the payment of solicitors on an *ad valorem* scale, the introduction of short statutory forms, the appointment of a real representative, and the establishment of registration of assurances without abolishing the system of registration of title established by the Act of 1875.

On reference to the evidence taken before this Commission, it will be found that Mr. Follett (who had been Registrar under the Act of 1862, and was then Registrar under the Act of 1875) stated (Q. 58) that he could suggest nothing short of actual compulsion which would make the public resort to registration, an opinion confirmed (QQ. 977 and 978) by Mr. Holt (then Assistant Registrar, and now Registrar under the Act of 1875), and by Mr. Farrer (Q. 1354); while on the other hand Lord Cairns (the author of the Act of 1875) stated (Q. 2871) that he doubted how far it was right to make the adoption of a particular system compulsory, and had never yet seen any way by which registration of title could be made compulsory, an opinion shared (Q. 21) by Sir H. Thring (afterwards Lord Thring) and Mr. William Barber (Q. 848).

In 1879 Mr. Lawrence, then President of the Incorporated Law Society, dealt in his address with the Reform of Conveyancing, and the suggestions which he then made were afterwards adopted and amplified by Lord Cairns, with the assistance of Mr. Wolstenholme, as the foundation for the Acts which have have so greatly simplified the methods of conveyancing in England and Wales.

In 1881 were passed the Conveyancing Act, 1881, and the Solicitors' Remuneration Act, 1881—which introduced a new system of conveyancing costs depending not upon the mechanical work done, but upon the value of the property dealt with, an Act which struck at the root of many of the conveyancing abuses previously existing, and for the first time offered a premium to solicitors to simplify deeds and expedite transactions, which, under the old system of payment, they could only do at the cost of diminishing their own remuneration. The old system of payment offered a premium to incompetent solicitors, and discouraged any attempt at reform.

In the following year (1882) Lord Cairns carried his reforms further by the passing of the Conveyancing Act, 1882, and the Settled Land Act, 1882.

The effect of the measures of 1881 and 1882 was to make every acre of land in England and Wales (except certain estates settled by Parliament) readily saleable so far as legal difficulties were concerned, and to greatly shorten and simplify the dealings in land.

In 1887 the Lord Chancellor (Lord Halsbury) introduced the Land Transfer Bill of that year, the object of which was stated to be "to supplement and carry further the legislation associated with the name of Lord Cairns, "and contained in three sets of Acts, namely, the Land Transfer Act, 1875, the Conveyancing Act, 1881, and Acts "amending it, and the Settled Land Act, 1882, and Acts amending it."

The Bill proposed to make registration universal, to create a Land Transfer Board, with branch offices in the country, to enable a proprietor registered with a possessory title to convert it into an absolute title, to provide for defining boundaries, to establish an insurance fund, and, with a view to greater simplification, to alter the law of descent, and to make several other changes of importance.

The Bill proposed to make registration of title compulsory in every Land Transfer district (which districts might be created by Order in Council), and with this object—

(1.) To require every person before selling, settling, or mortgaging land, to place it on the Register; and

(2.) To provide that on the death of a landowner no successor should have any legal rights until the land had been registered.

The Bill passed the House of Lords and reached the House of Commons about the middle of July 1887, but was withdrawn before reaching a second reading.

In 1888 the Bill was again introduced into the House of Lords. It proposed to wholly repeal the Act of 1875, and to re-enact it with alterations rendered necessary or expedient by subsequent legislation. Its most important points are thus stated in the Memorandum:

(1.) Compulsory registration on the first transfer and ancillary provisions.

(2.) Future registered transfers and charges to have priority.

(3.) Creation of realty representative.

(4.) Confirmation of title in five years after notice.

(5.) Assimilation of powers under possessory title to those under tenancy for life.

(6.) Establishment of insurance fund.

(7.) Assimilation of the laws relating to real estate to those relating to personalty.

(8.) Provisions as to estate tail.

The Bill was referred to a Select Committee, by whom it was materially altered, though their labours were not completed in that Session.

The Bill was re-introduced in the House of Lords in the Session of 1889, and was again considered by a Select Committee, who reported it to the House with amendments. It was eventually defeated in that House, and never proceeded further.

Lord Halsbury took no further steps, but in 1893 the present Lord Chancellor introduced a Land Transfer Bill, which proposed to make registration of title compulsory on sale of land within any district defined by Order in Council. The Bill was substantially the same as that of the present Session. It passed the House of Lords after little or no discussion, and reached the House of Commons rather late in the Session, but never reached a second reading.

Lord Halsbury's Bills of 1888 and 1889 proposed to repeal the Act of 1875 and to enact an entire scheme. The present Bill extends the Act of 1875 with alterations. For the convenience of practitioners, the former course is much the preferable one.

In the following Session the Bill was again introduced, but did not pass the House of Lords, its consideration being delayed until after the passing of the Finance Act, which might, it was thought, affect its provisions.

This Session the Chancellor has again brought in the Bill in substantially the same form as in 1893 and 1894. It passed the House of Lords without discussion or other than verbal amendment, and after passing second reading in the House of Commons has been referred to a Select Committee for inquiry and report.

LAND TRANSFER BILL, 1895.

Comparison between the Fees fixed in 1875 and those fixed in 1889.

	1875.	1889.	New South Wales. Maximum Fees under Acts of 1862, 1873, and 1878.
	£. s. d.	£. s. d.	£. s. d.
For every abstract lodged in the office	– 10 –	– 10 –	– 5 –
For examination of abstract with deeds where made by clerks in the office (or "officers of the Registry," 1889) for every hour or part of an hour.	– 5 –	– 10 –	Nil.
For entry of first proprietorship according to value:			
£.	£.		
Not exceeding 50	– 5 –	– 5 –	
Exceeding 50 and not exceeding 100	– 5 –	– 10 –	– 10 –
„ 100 „ „ 200	– 10 –	– 15 –	
„ 200 „ „ 300	– 15 –	1 – –	1 – –
„ 300 „ „ 400	1 – –	1 5 –	1 10 –
„ 400 „ „ 500	1 5 –	1 10 –	2 – –
„ 500 „ „ 600	1 10 –	1 16 –	
„ 600 „ „ 700	1 15 –	2 2 –	
„ 700 „ „ 800	2 – –	2 8 –	
„ 800 „ „ 900	2 5 –	2 14 –	
„ 900 „ „ 1,000	2 10 –	3 – –	
„ 1,000 „ „ 2,000	4 – –	5 – –	
„ 2,000 „ „ 3,000	5 10 –	7 – –	
„ 3,000 „ „ 4,000	7 – –	8 – –	
„ 4,000 „ „ 5,000	8 10 –	9 – –	
„ 5,000 „ „ 6,000	9 10 –	10 – –	
„ 6,000 „ „ 7,000	10 10 –	11 – –	
„ 7,000 „ „ 8,000	11 10 –	12 – –	
„ 8,000 „ „ 9,000	12 10 –	13 – –	2 10 –
„ 9,000 „ „ 10,000	13 10 –	14 – –	
„ 10,000 „ „ 11,000	14 10 –	14 10 –	
„ 11,000 „ „ 12,000	15 10 –	15 – –	
„ 12,000 „ „ 13,000	16 10 –	15 10 –	
„ 13,000 „ „ 14,000	17 10 –	16 – –	
„ 14,000 „ „ 15,000	18 10 –	16 10 –	
„ 15,000 „ „ 16,000	19 10 –	17 – –	
„ 16,000 „ „ 17,000	20 10 –	17 10 –	
„ 17,000 „ „ 18,000	21 10 –	18 – –	
„ 18,000 „ „ 19,000	22 10 –	18 10 –	
„ 19,000 „ „ 20,000	23 10 –	19 – –	
„ 20,000	Above rate for first 20,000*l.*, 10*s.* for every subsequent 1,000*l.*	10*s.* for every 1,000*l.* up to 100,000*l.*, all above being charged as 100,000*l.*, viz., 59*l.*	
For entry of First Proprietorship *with Possessory Title*, One-half the above Fees.			
For every land certificate or office copy lease:			(Canaway, p. 139.)
£.			
If value of property do not exceed 1,000	– 7 –	– 10 –	
£.			
Exceeds 1,000, but not 5,000	– 15 –	1 – –	1 – –
„ 5,000 „ 10,000	1 – –	2 – –	
„ 10,000 „ 20,000	2 – –	3 – –	
„ 20,000 „ 40,000	3 – –	4 – –	
„ 40,000	5 – –	5 – –	
For every special land certificate (R. 33, 1875)	– 5 –	From 5*s.* to 2*l.* 10*s.*, according to value.	—
For altering land certificate under 29th Section (*i.e.*, on transfer).	– 10 –	ditto	—
For endorsement under 34th Section on an office copy registered lease, not being then first issued.	– 10 –	Ditto, no remission on first issue unless land of less value than 300*l.*	—
For every certificate of charge	– 5 –	From 10*s.* to 5*l.*, according to value.	—
For registration of any change of proprietorship of land (except under the 43rd Section, *i.e.*, on bankruptcy):			
If the value do not exceed 1,000*l.*	– 5 –	Same as on first registration, *i.e.*, 5*s.* on first 50*l.*, and so on up to 59*l.*	– 10 –
For every additional 500*l.* or part of 500*l.*	– 1 –		

LAND TRANSFER BILL, 1895—*continued.*

Comparison between the Fees fixed in 1875 and those fixed in 1889.			New South Wales.
	1875.	1889.	Maximum Fees under Acts of 1862, 1873, and 1878.
	£. s. d.	£. s. d.	(Canaway, p. 139.) £. s. d.
For the registration of every charge or transfer or transmission of charge (except under the 43rd Section) where the principal sum does not exceed 1,000*l.*	– 2 6	Same as on first registration, *i.e.*, 5*s.* on first 50*l.*, and so on up to 59*l.*	– 10 –
For every additional 500*l.* or part of 500*l.* -	– – 6		
For any entry in respect of a deposit of a land certificate.	The same fee as for a charge for the amount secured by the deposit.	The like with a minimum of 1*l.*	—
For entry of notice of lease or agreement when the term granted or agreed to be granted exceeds 21 years.	– 5 –	– 10 –	—
When the term does not exceed 21 years -	– 2 6	– 10 –	—
For notifying the determination of any lease or charge.	– 7 –	– 7 –	—
For notifying cessation of incumbrance - -	– 7 –	– 7 –	—
For every caution, whether before or after registration.	1 – –	1*l.*, or the same fee as on a charge for the amount.	– 10 –
For entry of restriction under the 58th Section	1 – –	1 – –	—
For withdrawal or modification of restriction -	– 7 –	– 10 –	—
For every order or entry made under the 57th Section (inhibition).	1 – –	1 – –	—
For removal of any caution - - - -	– 7 –	– 10 –	– 5 –
For every entry under 3rd Clause of 83rd Section (restricting disposition except under order of Court).	– 10 –	1 – –	—
For every entry of change of proprietorship under 43rd Section (bankruptcy).	– 10 –	5*s.* to 10*l.*, according to value.	—
For every entry under the 18th Section (liability to easements) if made after first registration.	– 10 –	– 10 – Whenever made.	—
For entry of any grant of rent under 2nd paragraph of 82nd Section (fee farm grants) if land thereby affected be registered with absolute or qualified title.	The same as for the first entry of land with absolute or qualified title of the value of the rent at 30 years' title.	5*s.* for every 500*l.* in value, with a minimum of 1*l.*	—
For if such land be registered with a possessory title.	Same fee as for first registration of land with possessory title of the value of the rent at 30 years' purchase.	No reduction, 1 – –	—
For any entry under 52nd Section (dower or curtsey).	Same fee as for a charge of like value to be ascertained as Registrar may direct.	—	
For any entry negativing implied covenants, powers, or priorities, on charge or transfer of any freehold or leasehold land under provisions of the Act.	– 10 –	– 10 –	—
For annexing conditions to land - - -	– 10 –	1 – – Except on first registration.	—
For entry of modification or discharge of conditions.	– 10 –	– 10 –	—
For every entry on the register for which no other fee is provided.	– 5 –	– 5 –	—
For application for rectification of the register under the 95th (adverse title) or 96th (mistake, &c.) Sections.	– 5 –	– 5 –	—
For rectification of register under 95th or 96th Sections.	– 10 –	– 10 –	—
For every statement for the Court signed by the Registrar.	– 10 –	1 – –	—
For every examination of a married woman in the office.	– 10 –	– 10 –	– 5 –
For inspection of register by the registered proprietor, or with his consent, for each separate estate.	– 5 –	– 5 –	—

LAND TRANSFER BILL, 1895—*continued.*

Comparison between the Fees fixed in 1875 and those fixed in 1889.

	1876.	1889.	New South Wales. Maximum Fees under Acts of 1862, 1873, and 1878.
			(Canaway, p. 139.)
	£ s. d.	£. s. d.	£. s. d.
For the like inspection of description only for each separate estate.	– 2 6	– 2 6	—
For searching index kept in the office, for each parish.	– 2 6	– 5 –	– 2 –
For inspecting the description, with the consent of the Registrar, for each parish.	– 2 6	– 2 6	—
For inspection of any document not referred to on the register.	– 2 6	– 5 –	—
For every affidavit or declaration filed in the office.	– 2 6	– 2 6	—
For every summons to attend the Registrar	– 3 –	– 5 –	—
For every notice under the official stamp	– 1 –	– 1 –	—
For every affidavit or declaration sworn or taken in the office.	– 1 6	– 1 6	– 5 –
For every exhibit marked in the office	– 1 –	– 1 –	—
For office extract from or copy of any entry in the register, if not exceeding one folio (*in addition to stationer's charges*).	– 5 –	– 5 –	—
For every additional folio or part of a folio	– 2 6	No addition.	—
STATIONER'S CHARGES.			
For copy of any document—per folio	– – 2	– – 6	—
For every office copy—per folio	– – 4	– – 6	—
For every entry in the register of proprietorship or in the register of parcels.	– – 6	– – 6	—
Or engrossment of, or alteration in land certificate—per folio.	– – 6	– – 6	—

NOTE.—The following is the principal results of the altered scale :

On entry of first proprietorship it increases the fee for all properties up to 10,000*l.*, and decreases them for larger values.

	1875.	1889.		
£.	£. s. d.	£. s. d.		
100	– 5 –	– 10 –	If registered with a possessory title, one-half	– 10 –
1,000	2 10 –	3 – –		2 10 –
10,000	14 10 –	14 10 –		2 10 –
100,000	63 10 –	59 10 –		2 10 –

For registration of any change of proprietorship of land for value the fee is largely increased.

	1875.	1889.	
£.	£. s. d.	£. s. d.	
100	– 5 –	– 10 –	– 10 –
1,000	– 5 –	3 – –	– 10 –
10,000	1 3 –	14 – –	– 10 –

For registration of any charge or transfer or transmission of charge the fee is largely increased.

	1875.	1889.	
£.	£. s. d.	£. s. d.	
100	– 2 6	– 10 –	– 10 –
1,000	– 2 6	3 – –	– 10 –
10,000	– 11 6	14 – –	– 10 –

For registration of a caution or restriction for protecting any unregistered dealing (*e.g.* a loan from a banker on deposit of the land certificate), the fee is increased from 1*l.* to the same fee as if a formal charge had been registered, with (by further order dated 8th August 1892) a minimum of 1*l.* | – 10 –

N.B.—The insurance fee under the New South Wales system is heavier (½*d.* in the £), but it is only charged on the first registration and on transmission on death, not on every transfer or charge, as is proposed by the Bill. Act of 1862, Section 27.

May 1895.

LAND TRANSFER BILL, 1895.

STATEMENT as to Sales of Land at Southampton, the Information embodied having been supplied by the various Solicitors who acted for the Purchasers, the Costs mentioned throughout being the Purchasers Solicitors' Costs only, exclusive of *ad valorem* stamp, which is the same whether the Land be registered or not.

The Land referred to in the following instances formed part of an Estate registered with an absolute Titl under the Act of 1875 :

Initials of Purchaser, and Purchase Money.	Fees paid to the Land Registry by Purchaser.	£. s. d.	Authorised Solicitor's Charges under "Land Transfer Act, 1875," and Rules of 1889. £. s. d.	Purchaser's Solicitor's Charges under Solicitors' Remuneration Act, in the case of Unregistered Land. £. s. d.
1. W. W. - - £621.	Transfer fee - - - - - -	2 2 –	5 5 –	9 15 –
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	– 12 10		
	Plan for transfer - - - - -	– 15 –		
	Search - - - - - - -	– 5 –		
	£.	4 4 10		
	Total cost, 9*l.* 9*s.* 10*d.*, instead of 9*l.* 15*s.*			
2. D. C. - - £56.	Search fee - - - - - -	– 5 –	2 2 –	3 –
	Plan and forms - - - - -	– 15 5		
	Transfer fee - - - - - -	– 10 –		
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	– 1 2		
	£.	2 1 7		
	Total cost, 4*l.* 3*s.* 7*d.*, instead of 3*l.*			
3. D. D. - - £371.	Search fee (moiety) - - - - -	°– 2 6	4 4 –	6 – –
	Plan - - - - - - -	– 13 9		
	Transfer fee - - - - - -	1 5 –		
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	– 13 –		
	£.	3 4 3		
	Total cost, 7*l.* 8*s.* 3*d.*, instead of 6*l.*			
	°*N.B.*—Only one search fee of 5*s.* was paid for this and the following case, as the same solicitor acted in both matters.			
4. L. B. - - £784.	°Search fee (moiety) - - - -	– 2 6	6 6 –	12 – –
	Plan - - - - - - -	– 13 9		
	Transfer fee - - - - - -	2 8 –		
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	– 12 –		
	£.	4 6 3		
	Total cost, 10*l.* 12*s.* 3*d.*, instead of 12*l.*			
	° See previous note.			
5. F S. - - £350.	Search fee - - - - - -	– 5 –	4 4 –	5 5 –
	Map - - - - - - -	– 12 –		
	Search fee - - - - - -	– 5 –		
	Transfer fee - - - - - -	1 5 –		
	Stationer's charges - - - - -	– 2 6		
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	– 9 –		
	£.	3 9 –		
	Total cost, 7*l.* 13*s.*, instead of 5*l.* 5*s.*			
6. E. B. - - £567.	Search - - - - - - -	– 5 –	5 5 –	9 – –
	Maps - - - - - - -	1 4 –		
	Search - - - - - - -	– 5 –		
	Registry fees - - - - - -	1 16 –		
	Stationer's charges - - - - -	– 5 –		
	Land certificate - - - - -	– 10 –		
	Stationer's charges - - - - -	1 – –		
	£.	5 5 –		
	Total cost, 10*l.* 10*s.*, instead of 9*l.*			

LAND TRANSFER BILL, 1895—*continued.*

Initials of Purchaser, and Purchase Money.	Fees paid to the Land Registry by Purchaser.	£. s. d.	Authorised Solicitor's Charges under "Land Transfer Act, 1875," and Rules of 1889. £. s. d.	Purchaser's Solicitor's Charges under Solicitors' Remuneration Act, in the case of Unregistered Land. £. s. d.
7. E. N. and S. N. £3,167.	Transfer fee	8 – –	9 9 –	36 – –
	Fee for land certificate	1 – –		
	Plans, &c.	1 14 4		
	£.	10 14 4		
	Total cost 20*l.* 3*s.* 4*d.* instead of 36*l.*			
8. E. C. for E. £300.	Search	– 5 –	3 3 –	5 – –
	Transfer fee	1 – –		
	N.B.—We have not full particulars as to this case, which caused unusual trouble and difficulty, the property being purchased under the Church Building Acts.			
9. A. J. D. £4,634.	Registry fees	9 – –	10 10 –	43 5 –
	Stationer	– 1 –		
	Land certificate	1 – –		
	£.	10 1 –		
	Total cost 20*l.* 11*s.* (exclusive of costs of and stamp on deed of covenant which was necessary in consequence of the title being a registered one, say, 2*l.* 2*s.* and 10*s.*) instead of 43*l.* 5*s.* The date fixed for completion was the 25th December 1892, but the sale was not actually completed until the 15th March 1893. The chief cause of the delay was in consequence of the contract containing a clause that the purchaser should covenant to maintain certain ornamental water (being half of a lake) which was included in the sale. The vendor as to the half of the lake retained, was also to enter into a cross covenant to maintain that half, but it was found that these cross covenants could not be entered on the register, and after consulting counsel it was decided that a separate deed would have to be prepared and signed by the parties. This was done, but no notice of such deed was entered on the register.			
10. H. D. M. P. £700.	As to transfer:	£. s. d.	£. s. d.	£. s. d.
	Plan for transfer	– 18 10	5 5 –	10 – –
	Transfer fee	2 2 –		
	Land certificate	– 10 –		
	Stationer	– 12 9		
	£.	4 3 7		
	As to removing agreement:			
	Application	– 7 –		
	Lodging abstract	– 10 –		
	Examining abstract	– 5 –		
	Stamps on two declarations	– 5 –		
	Commissioners fees	– 3 –		
	£.	1 10 –		
	Total cost 10*l.* 18*s.* 7*d.* instead of 10*l.* 10*s.*			

The purchaser subsold the land but had first to remove a building agreement for lease to Mr. Warden purchased by him off the title. This involved—

(A) The preparation of an abstract of the agreement and assignment; (B) a formal application to remove the agreement; (C) declaration by the grantee; (D) a declaration by a solicitor that he had examined the abstract with the original documents.

In spite of the solicitor's declaration that the abstract had been examined, the registry required the abstract and original documents to be left, and charged a fee for clerk's time examining same.

If the title had not been registered the agreement would have merged, and the purchaser would have been put to no expense in connection with its removal from the title.

LAND TRANSFER BILL, 1895—*continued.*

Initials of Purchaser, and Purchase Money.	Fees paid to the Land Registry by Purchaser.		Authorised Solicitor's Charges under "Land Transfer Act, 1875," and Rules of 1889.	Purchaser's Solicitor's Charges under Solicitors' Remuneration Act, in the case of Unregistered Land.
	The sub-purchaser granted a building lease of part of this land, and the lessee omitted to register it. The land included in the lease was subsequently sold subject to and with the benefit of the lease. The lessee after the completion of the sale applied to register the lease, but because the land had been sold after the granting of the lease, registration was refused, although the lessee, vendor and purchaser concurred in the application. *See* letter from Land Registry dated 28th July 1893. Thus the purchaser's title appears on the register unincumbered, and he could make a good title to the land and house upon it, and defeat the lease altogether. It appears doubtful whether the Court even could set this right, at any rate it could not be done without the expense of a motion to "rectify" the register, but then is this "rectification." There is no error on the register as it was merely an oversight on the part of the lessee.			
		£. s. d.	£. s. d.	£. s. d.
11. F. H. E. £.262.	Plan	– 18 10	3 3 –	5 – –
	Transfer fee	1 – –		
	Stationer	– 12 10		
	£.	2 11 8		
	Total cost 5*l.* 14*s.* 8*d.* (exclusive of land certificate, which was not taken) instead of 5*l.*			
12. H. A. von S. £.900.	Plan	– 18 10	6 6 –	13 10 –
	Transfer	2 14 –		
	Land certificate	– 10 –		
	Stationer	– 12 2		
	£.	4 15 –		
	Total cost 11*l.* 1*s.* instead of 13*l.* 10*s.*			
13. W. B. H. £.1,208.	Plan	– 18 10	7 7 –	17 10 –
	Transfer	5 – –		
	Land certificate	1 – –		
	Stationer	– 19 1		
	£.	7 17 11		
	Total cost 15*l.* 4*s.* 11*d.* instead of 17*l.* 10*s.*			
14. T. J. W. £.281.	Plan	1 3 –	3 3 –	5 – –
	Transfer	1 – –		
	Stationer	– 10 –		
	£.	2 13 –		
	Total cost 5*l.* 16*s.* instead of 5*l.*			
15. J. N. £.280.	Transfer fee	1 – –	3 3 –	5 – –
	Stationer's charge for engrossing notice on register	– 2 –		
	Stationer's charge for engrossing certificate	– 5 –		
	Plan for certificate	– 5 6		
	Stationer's charge for account	– 1 –		
	£.	1 13 6		
	Total cost 4*l.* 16*s.* 6*d.* instead of 5*l.*			
16. J. N. £1,465.	Transfer fee	5 – –	7 7 –	20 – –
	Stationer's charge for engrossing notice on register.	– 3 6		
	Stationer's charge for engrossing certificate.	– 7 –		
	Plan	– 5 6		
	Land certificate	1 – –		
	Stationer's charge for account	– 1 –		
	£.	6 17 –		
	Total cost 14*l.* 4*s.* instead of 20*l.*			

LAND TRANSFER BILL, 1895—*continued.*

Initials of Purchaser, and Purchase Money.	Fees paid to the Land Registry by Purchaser.	£. s. d.	Authorised Solicitor's Charges under "Land Transfer Act, 1875," and Rules of 1889.	Purchaser's Solicitor's Charges under Solicitors' Remuneration Act, in the case of Unregistered Land.
		£. s. d.	£. s. d.	£. s. d.
17. J. N. - - £392.	Transfer fee - - - - - - - - -	1 5 –	4 4 –	6 – –
	Stationer's charges for engrossing notice on register.	– 2 6		
	Stationer's charge for engrossing certificate.	– 4 4		
	Plan for certificate - - - - -	– 5 6		
	Stamp on certificate - - - - -	– 10 –		
	Stationer's charges for account - -	– 1 –		
	£.	2 8 4		
	Total cost 6*l.* 12*s.* 4*d.* instead of 6*l.*			
18. J. M. - - £360.	Transfer fee - - - - - - - -	1 5 –	4 4 –	6 – –
	Stationer's charge for engrossing notice on register.	– 2 6		
	Stationer's charge for engrossing certificate.	– 3 8		
	Plan - - - - - - - - -	– 5 6		
	Land certificate - - - - -	– 10 –		
	Stationer's charge for account - - -	– 1 –		
	£.	2 7 8		
	Total cost 6*l.* 11*s.* 8*d.* instead of 6*l.*			
19. M. C. - - £506. 5*s.*	Transfer fee - - - - - - - - -	1 16 –	5 – –	8 5 –
	Stationer's charge for engrossing notice on register.	– 2 6		
	Stationer's charge for engrossing certificate.	– 4 4		
	Plan - - - - - - - - -	– 5 6		
	Land certificate - - - - -	– 10 –		
	Stationer's charges for account - -	– 1 –		
	£.	2 19 4		
	Total cost 8*l.* 4*s.* 4*d.* instead of 8*l.* 5*s.*			
20. W. S. R. - £469.	Transfer fee - - - - - - - - -	1 10 –	4 4 –	7 10
	Stationer's charges for engrossing entries on register.	– 2 –		
	Stationer's charges for land certificate -	– 4 4		
	Land certificate - - - - - -	– 10 –		
	Plan - - - - - - - - -	– 5 6		
	Stationer's charges for account - -	– 1 –		
	£.	2 12 10		
	Total cost 6*l.* 16*s.* 10*d.* instead of 7*l.* 10*s.*			
21. H. C. C. G. Com. Ltd. £5,400.	Transfer fee - - - - - - - - -	10 – –	Transfer— 11 11 – Charge (mortgage)— 8 8 –	Conveyance— 47 – – Mortgage— 31 10 –
	Fee on registering charge for 2,630*l.* -	7 – –		
	Search - - - - - - - - -	– 5 –		
	Certificate of charge - - - - -	1 – –		
	Stationer's charges - - - - -	– 7 2		
	Stamp on declaration - - - - -	– 2 6		
	£.	* 18 14 8		

* It is stated that of the sum of 18*l.* 14*s.* 8*d.* about 10*l.* 10*s.* was paid to the Registry in respect of the transfer, and about 8*l.* 4*s.* 8*d.* in respect of the charge.
Total cost of sale 22*l.* 1*s.* instead of 47*l.*
Total cost of mortgage 16*l.* 12*s.* 8*d.* instead of 31*l.* 10*s.*

APPENDIX, No. 7.

PAPER handed in by Mr. *F. Seebohm*, 20 June 1895.

ASSOCIATION OF ENGLISH COUNTRY BANKERS.

President:

Mr. Frederic Seebohm.

Vice Presidents:

Mr. Edmund Backhouse. | Mr. E. W. Beckett, M.P.
Mr. J. H. Barber. | Mr. George Rae.
Mr. Richard B. Wade.

General Committee:

Mr. F. C. C. Barnett	(Messrs. Stephens, Blandy & Co.)	Private.	Banks of Issue.
Mr. E. B. Faber	(Messrs. Beckett & Co.)		
Mr. A. S. Leslie Melville	(Messrs. Smith, Ellison & Co.)		
Mr. R. H. Inglis Palgrave	(Messrs. Gurneys & Co.)		
Mr. R. Williams	(Messrs. R. & R. Williams, Thornton, Sykes & Co.)		
Mr. R. Woodhouse	(Messrs. Sparrow, Tufnell & Co.)		
Mr. W. U. Heygate	(Pares' Leicestershire Banking Co., Limited)	Joint Stock.	
Mr. E. H. Newton	(York City and County Banking Co., Limited)		
Mr. S. G. Saul	(Cumberland Union Banking Co., Limited)		
Mr. Vincent Stuckey	(Stuckey's Banking Co., Limited)		

Mr. R. G. Hoare	(Messrs. Hodgkin, Barnett & Co.)	Private.	Non-issuing Banks.
Mr. T. Barney	(Birmingham, District and Counties Banking Co., Limited)	Joint Stock.	
Mr. John Dun	(Parr's Banking Co. and the Alliance Bank, Limited)		
Sir Gabriel Goldney, Bart.	(Capital and Counties Bank, Limited)		
Mr. J. Halliday	(Manchester and Liverpool District Banking Co., Limited)		
Mr. J. B. Martin	(Martin's Bank, Limited)		
Mr. C. A. Prescott	(Prescott, Dimsdale, Cave, Tugwell & Co., Limited)		
Mr. G. Robinson	(Craven Bank, Limited)		
Mr. Thomas Salt	(Lloyds Bank, Limited)		
Mr. J. H. Simpson	(Bank of Liverpool, Limited)		
Mr. W. H. Stone	(London and County Banking Co., Limited)		
Mr. T. R. Wilkinson	(Williams Deacon and Manchester and Salford Bank, Limited)		

The Executive Council:

Mr. F. Seebohm (President).
Mr. J. H. Barber (Chairman of Issuing Sub-Committee).
Mr. John Dun.
Mr. J. B. Martin.
Mr. E. H. Newton.
Mr. R. H. Inglis Palgrave.
Mr. Thomas Salt.
Mr. Richard B. Wade (Chairman of Non-issuing Sub-Committee).
Mr. R. Williams.

Hon Treasurer:

Mr. A. S. Leslie Melville.

Joint Secretaries:

Mr. William H. Winterbotham, Mr. Richard L. Harrison (of the firm of Messrs. Waterhouse, Winterbotham, Harrison & Harper, 1, New-court, Carey-street, Lincoln's Inn, solicitors).

LIST OF BANKS AT THIS DATE (MAY 1895) MEMBERS OF THE ASSOCIATION.

Private Banks.

Ashby (Thomas) & Co.	Staines.
Backhouse, J., & Co.	Darlington.
Bacon, Cobbold & Co.	Ipswich.
Barclay, Bevan & Co.	Brighton.
Barnard (Thomas) & Co.	Bedford.
Bartlett & Co.	Buckingham.
Bassett, Son & Harris	Leighton Buzzard.
Beckett & Co.	Leeds.
Beckett & Co.	Beverley.
Benas, L., & Son	Liverpool.
Berwick & Co.	Worcester.
Brown (Wm. Williams) & Co.	Leeds.
Cobb, T. R., & Son	Banbury.
Cobb, Bartlett & Co.	Aylesbury.
Coode, Shilson & Co.	St. Austell.
Cunliffes, Brooks & Co.	Manchester.
Davies, Banks & Co.	Kingston.
Dingley & Co.	Launceston.
Eliot, Pearce & Co.	Weymouth.
Eyton, Burton & Co.	Shrewsbury.
Foster, Messrs.	Cambridge.
Fox, Fowler & Co.	Wellington.
Gibson, Tuke & Gibson	Saffron Walden.
Gillett & Co.	Banbury.
Gurneys, Alexanders & Co.	Ipswich.
Gurneys, Birkbecks & Co.	Norwich.
Gurney, Birkbeck & Co.	Wisbech.
Gurneys, Birkbeck & Co.	Yarmouth.
Gurney, Round, Green & Co.	Colchester.
Hammond & Co.	Canterbury.
Hammond & Co.	Newmarket.
Henty & Co.	Worthing.
Hilton, Rigden & Rigden	Faversham.
Hodgkin, Barnett & Co.	Newcastle-on-Tyne.
Lacons, Youell & Kemp	Yarmouth.
Lambton & Co.	Newcastle-on-Tyne.
Leatham, Tew & Co.	Wakefield.
Leyland & Bullins	Liverpool.
Lomas, Jackson & Co.	Manchester.
Milford, Snow & Co.	Exeter.
Molineux & Co.	Lewes.
Nevile, Reid & Co.	Windsor.
Oakes, Bevan & Co.	Bury St. Edmunds.
Parsons, Thomson & Co.	Oxford.
Peacock, Willson & Co.	Sleaford.
Pinckney Brothers	Salisbury.
Pomfret, Burra & Co.	Ashford.
Richards & Co.	Llangollen.
Roper & Priestman	Richmond (Yorks).
Sanders & Co.	Exeter.
Sharples, Tuke & Co.	Hitchin.
Simonds, J. & C., & Co.	Reading.
Smith, Ellison & Co.	Lincoln.
Smith (Samuel) Brothers & Co.	Hull.
Smith (Samuel) & Co.	Derby.
Smith (Samuel) & Co.	Newark.
Smith (Samuel) & Co.	Nottingham.
Smith, Marten & Co.	St. Albans.
Sparrow, Tufnell & Co.	Chelmsford.
Stephens, Blandy & Co.	Reading.
Veasey, Desborough & Co.	Huntingdon.
Vivian & Kitsons	Torquay.
Wheeler (Thomas) & Co.	High Wycombe.
Wigan, Mercer & Co.	Maidstone.
Williams, Thornton, Sykes & Co.	Dorchester.
Williams & Co.	Chester.
Woodall, Hebden & Co.	Scarborough.
Woodbridge, Lacy, Hartland & Co.	Uxbridge.
Woods & Co.	Newcastle-on-Tyne.
Wright, I. & I. C., & Co.	Nottingham.
Yates, E. W., & Co.	Liverpool.

Joint Stock Banks.

Adelphi Bank, Limited	Liverpool.
Bank of Bolton, Limited	Bolton.
Bank of Liverpool, Limited	Liverpool.
Bank of Whitehaven, Limited	Whitehaven.
Barnsley Banking Co., Limited	Barnsley.
Birmingham, District and Counties Banking Co., Limited	Birmingham.
Bolitho, Foster, Coode & Co., Limited	Penzance.
Bradford Banking Co., Limited	Bradford (Yorks).
Bradford Commercial Joint Stock Banking Co., Limited	,, ,,
Bradford District Bank, Limited	,, ,,
Bradford Old Bank, Limited	,, ,,
Burton Union Bank, Limited	Burton-on-Trent.
Capital and Counties Bank, Limited	London.
Carlisle City and District Bank, Limited	Carlisle.
Carlisle and Cumberland Banking Co., Limited	,,
Cornish Bank, Limited	Truro.
County of Gloucester Bank, Limited	Cheltenham.
County of Stafford Bank, Limited	Wolverhampton.
Craven Bank, Limited	Skipton-in-Craven.
Crompton and Evans' Union Bank, Limited	Derby.
Cumberland Union Banking Co., Limited	Carlisle.
Derby and Derbyshire Banking Co., Limited	Derby.
Devon and Cornwall Banking Co., Limited	Plymouth.
Glamorganshire Banking Co., Limited	Swansea.
Grant and Maddison's Union Banking Co., Limited	Portsmouth.
Halifax Commercial Banking Co., Limited	Halifax.
Halifax and Huddersfield Union Banking Co., Limited	,,
Halifax Joint Stock Banking Co., Limited	,,
Huddersfield Banking Co., Limited	Huddersfield.
Knaresborough and Claro Banking Co., Limited	Harrogate.

List of Banks at this Date (May 1895) Members of the Association—*continued.*

Joint Stock Banks—*continued.*

Lancashire and Yorkshire Bank, Limited	Manchester.
Lancaster Banking Co.	Lancaster.
Leeds Joint Stock Bank, Limited	Leeds.
Leicestershire Banking Co., Limited	Leicester.
Lincoln and Lindsey Banking Co., Limited	Lincoln.
Liverpool Union Bank, Limited	Liverpool.
Lloyds Bank, Limited	London.
London and County Banking Co., Limited	,,
London and Midland Bank, Limited	Birmingham.
London and Provincial Bank, Limited	London.
London and Yorkshire Bank, Limited	,,
Manchester and County Bank, Limited	Manchester.
Manchester and Liverpool District Banking Co., Limited	,,
Martin's Bank, Limited	London.
Moore and Robinson's Nottinghamshire Banking Co., Limited	Nottingham.
National Provincial Bank of England, Limited	London.
North and South Wales Bank, Limited	Liverpool.
North Western Bank, Limited	,,
Northamptonshire Union Bank, Limited	Northampton.
Nottingham and District Bank, Limited	Nottingham.
Nottingham and Notts Banking Co., Limited	,,
Nottingham Joint Stock Bank, Limited	,,
Oldham Joint Stock Bank, Limited	Oldham.
Pares' Leicestershire Banking Co., Limited	Leicester.
Parr's Banking Co. and the Alliance Bank, Limited	London.
Prescott, Dimsdale, Cave, Tugwell & Co., Limited	,,
Preston Banking Co., Limited	Preston.
Sheffield Banking Co., Limited	Sheffield.
Sheffield and Hallamshire Bank, Limited	,,
Sheffield and Rotherham Joint Stock Banking Co., Limited	,,
Sheffield Union Banking Co., Limited	,,
Stamford, Spalding, and Boston Banking Co., Limited	Stamford.
Stuckey's Banking Co., Limited	Langport.
Swaledale and Wensleydale Banking Co., Limited	Richmond (Yorks).
Union Bank of Manchester, Limited	Manchester.
Wakefield and Barnsley Union Bank, Limited	Wakefield.
West Riding Union Banking Co., Limited	Huddersfield.
Whitehaven Joint Stock Banking Co., Limited	Whitehaven.
Williams Deacon and Manchester and Salford Bank, Limited	Manchester.
Wilts and Dorset Banking Co., Limited	Salisbury.
York City and County Banking Co., Limited	York.
York Union Banking Co., Limited	,,
Yorkshire Banking Co., Limited	Leeds.

APPENDIX, No. 8.

PAPER handed in by the *Chairman*, 20 June 1895.

SUGGESTIONS in addition to those sent by the Institute of Conveyancers.

THE exclusion, by Section 21 of the Act of 1875, of the Statutes of Limitation has a very prejudicial effect on the owner of a registered charge. If he takes possession he can never obtain a title against the proprietor. He has to keep strict accounts, and always remains liable to be redeemed. A mortgagee in possession of land not on the register acquires a title in 12 years.

It is not clear whether, in Section 21, "proprietor" includes proprietor of a charge. If it does, a charge never becomes barred by non-payment of interest.

On these points, at least, Section 21 should be amended, if not wholly repealed.

A transfer on the register to a purchaser for value or mortgagee should absolutely free the land from succession duty, otherwise a purchaser must investigate the equitable title. It is true that, as to past duty, he is exempted, after five years, by the Inland Revenue Act, 1888, but there may be future duty to arise. It now often happens that in order to reduce the amount of estate duty under the Finance Act, 1894, a father—tenant for life—and son—entitled in remainder—divide the estate between them. If the title be on the register, and the son be registered as owner of part, then, on the father's death—which may happen 20 or 30 years subsequently—succession duty will be payable in respect of the part taken by the son, and the then owner on the register will have to pay it.

Clause 12 of the Bill appears to work absolute injustice, as it seems to preclude a purchaser from inquiring as to succession duty.

Clause 3 of the Bill makes compensation payable only where the mistake, &c., *is not capable of rectification*. If by fraud or mistake an innocent purchaser gets on the register, the error is capable of rectification, as the true owner can and ought to be restored to the register; and, in fact, almost every error is capable of rectification, and then no compensation is payable. This clause requires to be more carefully worded, and made clearly to include compensation to the first registered proprietor, and to persons injured by fraudulent transfers and by registration of a proprietor with an absolute title.

There should be an obligation to consolidate several titles into one, and open a new head of title, and to divide any title into several titles so as to facilitate sale in lots. Section 83 does not seem completely to provide for this.

It should be competent to include two heads of title in the same charge, otherwise a double amount appears on the register to be secured.

There should be a summary mode of compelling the registrar to do what an owner is entitled to have done. It is, however, very difficult, to secure this. The registrar may tell the Court it is not safe or proper to do what is asked, and the Court will most likely decline to interfere with the mode of conducting the registry. A timid registrar may cause great annoyance and delay.

The only course seems to be to establish a strong board, having complete control over the registry, and to which there may be an appeal, as suggested in the memorandum of the Institute. To this board large powers should be given, so as to provide for all unforeseen cases, of which there will be many.

The compulsory clause (No. 1) of the Bill will have no effect. A purchaser can take a conveyance in undivided moieties, or a conveyance of the entirety except an undivided ten-millionth share, and will then not come within the clause. He will not get a title under which application for registration can be made. This may be met by repealing the section of the Act of 1875 which excludes undivided shares. But there are at least three, and probably many other, modes of avoiding compulsion. I doubt if any effectual compulsory clause can be framed short of a clause stopping all dealings with land till it is put on the register. The framers of the Bill do not appear to see very far in front, nor to appreciate the muddle they are preparing for all concerned. It will be somewhat ludicrous if the united efforts of Lords, Commons, and Privy Council to force registration on landowners should be completely frustrated by the irrepressible conveyancer.

11 June 1895. (signed) *Edwd. P. Wolstenholme.*

APPENDIX, No. 9.

PAPER handed in by the *Chairman*, 20 June 1895.

2, Stone-buildings, Lincoln's Inn, W.C.,
11 June 1895.

Dear Attorney General,

I SEND a few further suggestions on this Bill, which may be of use.

The reference which you asked me for to the statement of Lord Cairns as to excluding compulsion in case of purchases under 300*l.*, and as to the cost of a conveyance in some places being from 15*s.* to 20*s.*, will be found in Report of Commons Committee on Land Titles and Transfer 1879, pages 148, 154–5, Questions 2873, 2874, 2949 to 2953.

Yours, &c.
(signed) *Edwd. P. Wolstenholme.*

The Attorney General.

APPENDIX No. 10.

PAPER handed in by the *Chairman*, 20 June 1895.

10, New Square, Lincoln's Inn, W.C.,
21 June 1895.

Dear Mr. Attorney General,

AT the close of my examination yesterday you asked me to send you, for the consideration of the Committee, some further suggestions for amendment of the present Bill.

Two occur to me which seem to be worth troubling you with now, although many more would arise if the Committee decide to frame a scheme for establishing a really efficient system of registration apart from any question of compulsion.

1. That it should be declared that the instrument of transfer, though not under seal, should be deemed to be and have the effect of a deed. This would allow of the insertion of the usual declaration to bar dower (not, perhaps, of much consequence now), and would imply covenants for title in accordance with the Conveyancing Acts which in cases of possessory title will for 20 years or so be necessary. There are other conveyancing advantages in this amendment which will suggest themselves to you.

2. That (reversing Gibbs *v.* Messer) a person who has been innocently placed on the register by fraud consisting, as in that case, of the intervention of a fictitious person, should nevertheless, if he have contributed to the insurance fund, be entitled to compensation.

The evidence given before the Committee has, I venture to think, shown that the existing system of registration of title in this country requires remodelling. It is almost too much to expect that such a difficult task should at this time of the year be undertaken, though the Committee will, no doubt, make such recommendations as seem good to them, including, I hope, a recommendation that any new Bill should be framed with the assistance of practical experts. I have therefore not attempted to put before you, in the shape of clauses, even the alterations and amendments which I have at present ventured to suggest as necessary.

Yours, &c.
(signed) *Benj. G. Lake.*

Her Majesty's Attorney General,
House of Commons, S.W.

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A.

ACT OF 1875. Impression that the failure of the Act of 1875 is entirely attributable to the fact that it contains a clause which prevents the removal of land from the register when it has once been put on, *Hunter* 962, 963——Opinion of Mr. Brickdale as to people having been deterred from using the Act through the loss of the former power of removing property from the register after it had been once put on, *ib.* 963.

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Proposition, easily capable of proof, that the Act of 1875 is neither safe, cheap, expeditious, simple, nor suitable to the public wants, *Lake* 2527 *et seq.*——Great difference between the systems under the Acts of 1862 and 1875, the register in the former case disclosing every right and interest affecting the property; boundaries definite and conclusive under the Act of 1862; *ib.* 2905-2913——Further disapproval generally of the present system of land registry in England; conclusion that the Act of 1875 should be repealed and the system recast, *ib.* 3261-3267.

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Amendment of System. View of witness that as the proposed system of registration would require a large number of officials and entail an enormous expense, it is desirable to endeavour to simplify and improve the present system; opinion that this can be done by adopting the register system, but eliminating the register, *Wolstenholme* 510 *et seq.*; 605-622. 652-658——Submission by witness of a written statement of suggestions with regard to the practice of registration of deeds; advocacy of various reforms of the law relating to the transfer of land, *Wolstenholme* 663, 664; *App.* 261, 262——Opinion that the present system of land transfer may be so amended as to make it better than any system of registration, *Wolstenholme* 800-804. 820 *et seq.*; 938-948.

Conclusion that it would be far wiser to reform the present system of transfer by deed before attempting anything compulsory; belief that a similar opinion has influenced practically nearly all the law reformers until recently, *Hunter* 965-971. 1071, 1072——Approval of the suggestion that the present law should be amended with a view to eliminating from title, and conveyancing separately, all equitable interests other than derivative interests, *ib.* 1110, 1111.

Desirability of making one or two reforms in the present system; suggestion that two of the recommendations of the 1878 Committee should be carried out, namely, the abolition of re-conveyances of mortgages and substitution of endorsed receipts, and the creation of a real representative, *Saunders* 1790-1792.

Great simplification of conveyancing and great reduction in the length of deeds as a result of modern legislation; reference especially to the effect of the Acts of 1881 and 1882; *Lake* 2502-2508——Approval of the suggestion that the law should be so altered that only the legal estate should be dealt with apart from the beneficial interests, whether there is a registration system or not, *ib.* 2975-2981.

Memorandum by Mr. Lake as to legislation or attempts at legislation in recent years in connection with registration and land transfer, *App.* 249, 250.

Letter from Mr. Lake, dated 21st June 1895, offering certain suggestions for the amendment of the Land Transfer Bill, *App.* 262.

Report, 1895—*continued.*

Area (Operation of Bill). See *Experimental Operation of Bill.*

Atchley, William Henry. (Analysis of his Evidence.)—Witness is a solicitor practising in Bristol, and has had a large experience, for nearly forty years, in the conveyancing of small working-class properties; speaks on behalf of the solicitors of Bristol, 1401–1406. 1565–1567. 1605, 1606.

Evidence to the effect that the charges adopted by witness for the working classes are lower than those fixed by the Solicitors' Remuneration Act Scale; submission of lists showing the time taken in and the charges made for conveyancing a number of small properties in 1893 and 1894, the cases being taken as they stand in the ledger, without selection, 1407–1419. 1482 *et seq.*

Explanation that witness' charges, though low, are somewhat higher than those of other solicitors in Bristol; statement hereon that the date for completion of the transaction is invariably fixed by the vendor and purchaser, 1419–1425. 1482–1488.

Satisfactory working at Bristol of the present system of holding and transferring land by deeds, the transfers being accomplished with great facility; no doubt that the working-class people would object to have a certificate from the registrar instead of their deeds, of which they are proud, 1426–1431. 1508–1523——Anticipation that transactions under the registration system proposed by the Land Transfer Bill would be more expensive to working people than under the present system, and would require more time; general feeling of the Bristol solicitors that the new system would not be an improvement, 1432–1441. 1457, 1458. 1489 *et seq.*; 1526–1530. 1565 *et seq.*

Grounds for the opinion that there is not the slightest necessity for the Bill, and that the effect of it would probably be to stop building transactions altogether in Bristol; information hereon as to the method of procedure in regard to building estates on which working-class properties have been erected, 1442–1456. 1466–1481. 1499 *et seq.*; 1543–1564——General custom of the bankers to advance money on the deposit of deeds without investigating the title if they have the certificate of a respectable solicitor, 1459–1465.

Statement that the Act of 1875 is a dead letter, so far as Bristol is concerned, possibly because the registration system is not liked; admission that the fact that the solicitors are opposed to registration may have had some influence in the matter, 1494–1498. 1524–1526. 1568–1579——Non-existence of the system of long leaseholds at Bristol, the general practice being to sell out-and-out, or to sell on fee-farm rents, 1499–1503.

Decided objection to the proposal that when land is once on the register it shall never be taken off, 1526–1528——Assertion that the lists handed in show the total charge on each transaction, exclusive of the Government stamp, there being nothing additional in the shape of commission, procuration fee, &c., 1531–1542.

Inferiority of the registrar's certificate to the present deed, the latter being the sole evidence of title; possibility of an owner getting a second certificate and defrauding persons who had dealt with the land on the faith of the solicitor's respectability, 1543–1564. 1580——Admission that the owner could not commit fraud under the proposed registration system if the builder had a caution put upon the register, 1580–1604.

Australia. Inapplicability to the majority of land transactions in this country of the registration system now in use in Australia, where the title originates in a simple grant from the Crown, *Wolstenholme* 461–463——Information respecting the Australian system of land registration under which the certificate describes the land and gives references to an officially recognised map; admission that the system has given great satisfaction in the colony, *ib.* 710–717. 930–937.

Opinion of the late Earl of Carnarvon that the land transfer system at work on his estate in the Nottingham district was quite as simple and good as that in use in Australia, *Bennett* 2144–2150.

Requirement in Australia of a full description of the property over and above the deposited plan, *Lake* 2510, 2511——Contrast between the nominal fees in Australia and the fees in the English Land Registry; policy of the colony that the State should bear the expense, *ib.* 2520, 2521. 3247–3250. 3277–3283——Explanation that only to a limited extent is registration compulsory in Australia, *ib.* 2524.

Statement that the Australian system has not the slightest resemblance to the system proposed in the present Land Transfer Bill; circumstance of Sir Robert Torrens, who introduced the system in Australia, having refused to register his land in this country under the Act of 1875 *Lake*; 2689–2691. 2922. 3514–3521.

Explanation that under the Australian system the period within which a claim must be brought against the insurance fund is six years, *Lake* 3191–3193——Statement that with the exception of New South Wales registered land is subject to the operation of the Statute of Limitations throughout the colony of Australia, *ib.* 3193. 3472–3476.

Report, 1895—*continued.*

Australia—continued.

Further consideration of the Australian system; belief that it is better in many respects than that obtaining in England, *Lake* 3251-3258. 3268-3284. 3514-3521——Belief that the colonists carry through their own business; necessity, however, for the employment of a solicitor to prepare a deed containing conditions, *ib.* 3251. 3254-3258.

Statement of maximum fees in New South Wales, under the Acts of 1862, 1873, and 1878; *App.* 251-253.

Austro-Hungary. Statement that registration of title has prevailed in Austria for many years, but has only recently been established in Hungary; conclusion of the Hungarian landowners, who at first were strongly opposed to registration, that it is a great advantage, *The Lord Chancellor* 39-42. 266.

B.

Banks (Deposit of Deeds, or Deposit Certificate):

Grounds for the conclusion that the objections of the bankers have been met by a special provision that has been inserted in the Bill, and that the bankers generally are now satisfied, *The Lord Chancellor* 12. 184 *et seq.*

Special advantage of the deposit note over the certicate of title, inasmuch as in the case of the latter the registration can be effected without the production of the certificate, whereas in the case of the former it cannot; conclusion that although there is not absolute security in the deposit note to bankers lending money on it there is greater security than is given by a mere deposit of deeds, *The Lord Chancellor* 188-197. 227-232.

View of witness that the mode of dealing with equitable securities suggested in Clause 14 of the Bill is very cumbrous and quite unnecessary, the deposit certificate being apparently only a mode of getting a fee; desirability of a return to the Act of 1875 in this matter, *Hunter* 1022-1029——General custom of bankers at Bristol to advance money on the deposit of deeds without investigating the title if they have the certificate of a respectable solicitor, *Atchley* 1459-1465.

Explanations in connection with the present practice of obtaining loans from bankers on the deposit of deeds; great facility and convenience to borrowers, *Lake* 2714-2724 —— Grounds for objecting to the provisions under the Bill as regards the issue of a special deposit certificate in the case of loans by bankers; readiness of bankers to lend on the deposit of share certificates with a duly stamped transfer properly filled up, *ib.* 2723-2731——Resolutions passed by the Nottingham bankers in May 1895, disapproving of the Land Transfer Bill, *ib.* 2984-2991.

Further examination as to the proposal (in regard to borrowing on deeds), to have a special certificate called the deposit certificate which should be a substitute for the equitable deposit on deeds; doubt expressed as to whether a banker would lend on the faith of the person who brought the deposit certificate, *Lake* 3493-3513.

Detailed information showing that 100,000,000*l.* to 150,000,000*l.* represents the amount that at the present moment is dependent upon the deposits of deeds in the banks of England and Wales, *Seebohm* 3886, 3887. 3911-3915——Evidence respecting the nature of these loans, nearly the whole of which are transacted without the intervention of a solicitor; form of security by the deposit of deeds handed in, *ib.* 3887—— Statement that the present system of deposit of deeds ensures four essential points, viz., promptness, security, nominal cost, and secrecy, *ib.* 3887-3889.

Representation made to the Lord Chancellor which resulted in Clause 14 being placed in the Bill, *Seebohm* 3890, 3891——Ground which led to the conclusion that Clause 14 would prove impossible to work, *ib.* 3891. 3918-3922——Impossibility of making prompt advances on the security of a deposit certificate, *ib.* 3891. 3927-3937—— Difficulties that would arise in a case to which an equity was attached, *ib.* 3891. 3938-3944.

Question as to the effect of the Bill on bankers who take the legal estate on their deposit certificate, *Seebohm* 3891-3895——Consideration of cases, such as those of remainder men, in which it is not at all clear that a deposit certificate could be obtained, *ib.* 3891. 3944-3949. 3954-3969.

Conclusion that the Bill will seriously interfere with bankers' business, *Seebohm* 3897-3899. 3906-3910——Doubt expressed as to the security of bankers in regard to forgeries, *ib.* 3900——Probability that the difficulty in regard to cost would disappear were the land certificate made to answer the purpose of the deposit certificate, *ib.* 3923-3927.

Constitution of the Association of English Country Bankers, together with a list of the private banks and the joint stock banks who are members of the Association, *App.* 258-260.

See also *Forged Transfer Act.*

Report, 1895—*continued.*

Bennett, Charles. (Analysis of his Evidence.)—Witness is an alderman of the Borough of Nottingham and a director of two or three brickwork companies; is a trustee of a very large land society, and has had considerable experience in buying, selling, and mortgaging land during the last twenty-five years, 2001–2008.

Experience of witness that so far as the numerous transactions in which he has been engaged on the Porchester Estate are concerned, the present system of land transfer has worked without hitch or difficulty, 2007–2014. 2122–2124——Satisfaction with the charges made by the solicitors for the professional work in connection with the transactions, the average being about 10*s.* 6*d.*, exclusive of stamp duty, no investigation of title being required; production by witness of specimens of the conveyances and abstracts of title in use on the Porchester and Carnarvon Estates, 2012–2034. 2055–2063. 2081–2091. 2111–2121.

Decided opinion that the people of Nottingham would strongly object to the registration system proposed by the Land Transfer Bill being substituted for the present system; disinclination of the working man to give up his title deeds, 2035 *et seq.*; 2068–2080. 2092–2110——Anticipation that the working people who deal in small properties would have difficulties occasionally in raising money on the registrar's certificate, as people lend money more readily on deeds that they know and understand, 2047–2051.

Inability of witness to see the slightest necessity for any change, the present system of land transfer being satisfactory and inexpensive, so far as he has knowledge of it, 2053, 2054——Belief that the objection of working men to the proposed registration system would be more on the ground of want of privacy than of increased cost, 2064–2067. 2141, 2142.

Explanation that witness' opinion that the proposed registration system would not be popular in and around Nottingham is based upon conversations he has had with the shareholders of various land societies, the feeling of the people having invariably been that they would rather not be brought under the Bill, 2068–2080. 2092–2110. 2124–2128——Personal impression of witness that parchment title-deeds are safer than a registrar's certificate, 2129–2140.

Objection of witness to the introduction of officialism in connection with conveyancing, 2143——Opinion of the late Earl of Carnarvon that the land transfer system at work on his estate was quite as simple and good as that in use in Australia, 2144–2150.

Berks, Bucks, and Oxfordshire Incorporated Law Society. Report by this society as to the celerity and small cost with which conveyancing transactions are now carried out by solicitors, *App.* 208.

Bill of 1887. Examination to the effect that the present Land Transfer Bill is based upon the Bill introduced by the late Lord Chancellor in 1887 as amended by the Select Committee of the House of Lords; explanation that the Bill of 1887 proposed that registration should be compulsory on any transfer, but that the present Bill confuses the compulsory provisions to transfer, *inter vivos*, *The Lord Chancellor*, 1–10. 287–291.

Birmingham. Concise summary of 747 cases of sales, together with an analysis of 305 mortgage transactions, showing the average cost of each, together with modified report of the Birmingham Law Society and a few cases of over 1,000*l.*, handed in; average cost of each transaction about 1 per cent., exclusive of stamps, *Saunders* 1757–1761. 1794–1797. 1812–1815. 1924 *et seq.*

Statement that the conveyancing charges made by solicitors at Birmingham compare very favourably with those made by other professional men engaged in connection with land transactions; opinion that it would be an advantage to solicitors in the Midland district if the scale under the Remuneration Order could be reduced, *Saunders* 1765. 1910, 1911. 1988–2000.

Non-objection of the Law Society of Birmingham to a registration of deeds such as exists in Middlesex and Yorkshire, which would be as effective a protection to the purchaser of a small holding as registration of title; disapproval by witness, however, of any form of registration of possessory title, it being far preferable that owners should keep their own title-deeds, *Saunders* 1822–1825. 1970–1978.

Belief that the disinclination of the legal profession and of the public in Birmingham to adopt registration is due to the dread of official interference and official delay; certainty that the absence of feeling in favour of registration is not due to ignorance, *Saunders* 1838–1841. 1904–1909. 1921–1923. 1958 *et seq.*

Report by the Birmingham Incorporated Law Society as to the expedition and small cost with which conveyancing transactions are carried out, *App.* 208, 209.

Return prepared for the Birmingham Law Society showing for numerous transactions the time occupied in the completion of each case, and the cost and amount of consideration money, *App.* 218–229.

Report on behalf of the society, dated May 1893, with reference to the Land Transfer Bill of that year, and submitting explanations as regards the cost and the time

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Report, 1895—*continued.*

Birmingham—continued.

in carrying out transactions of different kinds; objections to the Bill on various grounds, *App.* 244, 245.

Analysis of 747 purchase and sale transactions up to 600*l.*, showing the total cost in each class of cases, *App.* 246——Similar particulars in connection with 305 mortgage transactions up to 600*l.*, *ib.*

Return of transactions over 1,000*l.*, showing the amount of consideration money, the time before completion of each transaction, and the cost, *App.* 247, 248.

Bonser, William James, (Analysis of his Evidence).—Witness has been chairman of the British Land Company, Limited, for the past eight years, and a director of it since 1874; 2151, 2152.

Evidence to the effect that the company was established in 1856 for the purpose of acquiring and developing building estates in the United Kingdom, and that it took over a similar business that had been carried on since 1849; purchase and laying out for building of over 390 small estates by the company, the total value of the land sold being 4,047,643*l.*, 2153–2158——Details of the procedure of the company in purchasing estates and re-selling them in lots, the conveyance to the purchasers being free; average payment by the company to their solicitors for an ordinary conveyance, 1*l.* 12*s.* 6*d.*, and in a register county, 2*l.* 11*s.*, exclusive of stamp duty, 2159–2166. 2210 *et seq.*; 2252–2260.

Production by witness of a specimen plan of estate and a specimen conveyance, the latter being very short, 2167–2166——Preference of witness for the present system of land transfer, under which he makes his own arrangements for the transfer to be carried out, over that proposed by the Land Transfer Bill; general satisfaction with the present system, 2170–2177. 2194 *et seq.*

Apprehension that if all the necessary transactions in transferring land have to be done through a public office witness would be seriously embarrassed in his arrangements and the business be delayed; anticipation that the system of caveats, notices, warnings, &c., would be injurious to the company and the purchasers, 2178–2193. 2203–2209. 2233 *et seq.*; 2261–2268——Absence of any feeling of insecurity under the present system, witness having had no case of forged deeds or loss during the existence of the company, 2199, 2200.

Agreement that the scale of the 16th January 1889 as to the cost of transfers in the Registry would be a great improvement financially; doubt, however, as to the charges therein being all the expenses that would be incurred under the new transfer system, 2218 *et seq.*; 2274——Impression of witness' board that under the proposed system it would be necessary to register all their unsold land, so that they might identify each plot sold; enormous expense of registering it plot by plot as sold, 2239–2251. 2269–2274.

Boston. Information as supplied by a committee of Boston solicitors as regards the cost in carrying through various transactions in relation to the consideration money, and the time occupied, *App.* 230.

Boundaries and Plans. Belief that the difficulties as to boundaries must exist under any system; probability that the difficulty will not be so great when all the land is registered, *The Lord Chancellor* 225, 226. 362–373.

Inconclusiveness of the Bill in regard to boundaries; absence of any proposal that an official map shall be made so that the registrar shall ascertain the exact boundaries of the property registered, *Wolstenholme* 537–565. 572–581. 637–648——Opinion that the difficulty as to boundaries would be greater under the Bill than it is at present; recommendation that, as a boundary shown on a map cannot always be relied upon, some further description should be entered on the register, *ib.* 679 *et seq.*; 783–785. 873–884.

Statement that as the present Bill does not make the boundaries appearing in the register binding upon the adjoining owners, considerable difficulty would arise as to the exact boundary between registered and unregistered land, *Hunter* 1074. 1336–1346——Opinion that a case of incorrect boundaries is peculiarly a case where State compensation would be the true remedy; no doubt that the registrar would be careful not to pay compensation that was not absolutely necessary, *ib.* 1162–1171. 1191–1197. 1258–1261. 1381–1386.

Expectation that the expense in regard to plans will be considerably greater under the new system; advisability of there being a full description of the land on the register, with a map upon a large scale, *Russell* 2332–2341. 2416–2423.

Impracticability of avoiding investigation of title under the Bill, unless boundaries are defined by description as well as upon the plan, as provided in the Australia Act; illustrations in support of this conclusion, *Lake* 2882–2886. 2995–2998——Further statement as to the necessity for a description, as well as a plan, in regard to boundaries; instance in the Caterham case of a wrong piece of land being entered, *ib.* 3376–3386.

See also *Investigation of Title.*

Report, 1895—*continued.*

Brickdale, Mr. Circumstance of Mr. Brickdale having formerly been one of the strongest advocates against compulsion, *Lake* 2514, 2515. 2752——Explanation in connection with certain correspondence between witness and Mr. Brickdale, which dealt with several questions raised on the Bill; copies handed in to the Committee, *ib.* 2534–2537.——*See* also *Land Registry.*

Bristol. Representations, in detail, on behalf of the solicitors of Bristol, *Atchley* 1401 *et seq.*——Satisfactory working at Bristol of the present system of holding and transferring land by deeds, the transfers being accomplished with great facility; no doubt that the working-class people would object to have a certificate from the registrar instead of their deeds, of which they are proud, *ib.* 1426–1431. 1508–1523.

Anticipation that transactions under the registration system would be more expensive to working people than under the present system, and would require more time; general feeling of the Bristol solicitors that the new system would not be an improvement, *Atchley* 1432–1441. 1457, 1458. 1489 *et seq.*; 1526–1530. 1565 *et seq.*——Non-existence of the system of long leaseholds at Bristol, the general practice being to sell out-and-out, or to sell on fee-farm rents, *ib.* 1499–1503.

Report of the Bristol Incorporated Law Society as to the small average cost and the expedition with which conveyancing transactions are carried out, *App.* 209.

See also *Banks. Small Transactions.*

British Land Company. Evidence to the effect that the British Land Company was established in 1856 for the purpose of acquiring and developing building estates in the United Kingdom, and that it took over a similar business that had been carried on since 1849; purchase and laying out for building of over 390 small estates by the company, the total value of the land sold being 4,047,643*l.*, *Bonser* 2153–2158.

Details of the procedure of the company in purchasing estates and re-selling them in lots, the conveyance to the purchasers being free; average payment by the company to their solicitors for an ordinary conveyance 1*l.* 12*s.* 6*d.*, and in a register county 2*l.* 11*s.*, exclusive of stamp duty, *Bonser* 2159–2166. 2210 *et seq.*; 2252–2260.

Apprehension that if all the necessary transactions in transferring land have to be done through a public office witness would be seriously embarrassed in his arrangements and the business be delayed; anticipation that the system of caveats, notices, warnings, &c., would be injurious to the company and the purchasers, *Bonser* 2178–2193. 2203–2209. 2233 *et seq.*; 2261–2268——Impression of the board of the British Land Company that under the proposed system it would be necessary to register all their unsold land, so that they might identify each plot sold; enormous expense of registering it plot by plot as sold, *ib.* 2239–2251. 2269–2274.

Conclusion that under the registration system proposed by the Land Transfer Bill it would be practically necessary for the British Land Company to at once register all their unsold land; anticipation that there would be immense difficulty in identifying the various plots afterwards, *Russell* 2282–2290. 2411–2415.

Evidence to the effect that for the fees paid them by the Land Company witness' firm draws a plan, draws and engrosses a deed, stamps it, and, when necessary, registers it, taking the full responsibility for the transaction; absence of any complaint that the law charges are unreasonably high, *Russell* 2291–2304.

No insecurity of title in dealing with property under the present system so far as witness' transactions are concerned; non-objection of the purchasers to the company's procedure in regard to investigation of title, *Russell* 2305, 2306. 2342 *et seq.*——Particulars of the only two cases in which the company have had dealings with a registry office; the result in both being unsatisfactory, *ib.* 2307–2312. 2434, 2435.

View of witness that the cost of the small transfers, after the company had registered all their unsold land, would be as great as it is now, as it would not be possible to dispense with some of the covenants which cannot be entered on the register, *Russell* 2313. 2328–2331. 2358 *et seq.*

Building Estates and Building Societies:

Contention that there is no reason why building societies, if they consider compulsory registration desirable, should not have brought more land than they have upon the register, *Wolstenholme* 765–771——Inability of witness to understand why the building societies, if they are anxious that registration should be made compulsory, do not make use of the voluntary registration under the Act of 1875, especially as the registrar has delivered lectures to them on the advantages of the system, *Hunter* 975, 976.

Grounds for the opinion that at Bristol there is not the slightest necessity for the Bill, and that the effect of it would probably be to stop building transactions altogether; information hereon as to the method of procedure in regard to building estates on which working-class properties have been erected, *Atchley* 1442–1456. 1466–1481. 1499 *et seq.*; 1543, 1564

BUILDING ESTATES AND BUILDING SOCIETIES—continued.

1564——Admission that the owner could not commit fraud under the proposed registration system if the builder had a caution put upon the register, *Atchley* 1580–1604.

Contention that, even if the building or other covenants are registered, a ground deed in duplicate would be necessary in addition to the entry on the register, because of the condition under the schedule, *Mackenzie* 1686–1691. 1715–1740——No doubt that trouble and expense would arise in selling building plots that had been carved out of the estate which was on the register, *Saunders* 1826–1837.

Grounds for the opinion that the proposed compulsory registration would very much hamper the business of building societies; apprehension of the societies that their transactions would be more or less public and dilatory, *Russell* 2370–2393. 2406-2411——Evidence to the effect that witness' charges to building societies are 3*l.* 3*s.* for purchase deeds up to 400*l.*, and 3*l.* 3*s.* for mortgages up to 500*l.*, inclusive of everything except the stamp duty or any fee that may be payable to the freeholder under covenants in the lease, *Marsden* 2440–2444. 2467–2483.

Statement respecting the sale of some building land in Hampshire, subject to the usual building conditions, whereas the transfer when left for registration was declared to be irregular and two of the conditions were struck out, *Lake* 2658——Further illustration of the unsatisfactory working of the register in the case of building estates, *ib.* 2658. 2663.

Additional particulars in connection with some building land in Hampshire which was registered with an absolute title, witness showing that the expense to the purchaser was much greater than if he had bought unregistered land; detailed statement hereon handed in, *Lake* 2694–2713——Absolute necessity, if the Bill passes, for the owner of a building estate partly sold to register the whole of his estate with restrictive conditions before he sells any more of it, *ib.* 3044, 3045.

Examination in support of the opinion that the transactions in connection with the leasing of plots, with certain restrictive covenants in common form, on a building estate, can be effected more easily, quickly, and cheaply under the present system than under the proposed registration system; no doubt that solicitors now are much underpaid, owing to competition, *Lake* 3147–3190.

See also *British Land Company.* *Nottingham.* *Oldham.*

C.

Cairns, Earl (the late). Conclusion that Lord Cairns did abandon the compulsory form of registration in favour of a voluntary one, and also introduced measures for simplifying conveyances; witness is not aware that the one measure was connected with the other, *The Lord Chancellor* 75–78——Opinion that, although Lord Cairns' great measures are material reforms in connection with land transfer, conveyancing has not been enormously simplified in the *modus operandi*, *ib.* 79–90.——*See* also *Small Transactions.*

Certificate (Land Transfer). Superiority of the registrar's certificate to the present deeds, the latter being the sole evidence of title; possibility, moreover, of an owner getting a second certificate and defrauding persons who had dealt with the land on the faith of the solicitor's respectability, *Atchley* 1543–1564. 1580.

Expediency of the production of the land certificate or charge certificate being compulsory in all registration dealings, *Lake* 2762. 3284–3315——Opinion that the rules for the issue of the duplicate certificate are not sufficiently stringent; suggestion hereon that the Act should provide that, in addition to evidence satisfactory to the registrar of loss of the certificate, advertisements should be put in a London paper and a local one, with a view to finding the original, *ib.* 2888.

See also *Banks.*

Colonies. Four differences between the Act of 1875 and any system now in operation in the country of any English-speaking race; desirability of our system being based on a colonial rather than a foreign system, *Lake* 2922, 2923. 3041–3043.

See also *Australia.*

Compensation. See *Fraud.* *Insurance Fund.*

Report, 1895—*continued.*

Compulsory System (Registration of Title):

Evidence to the effect that the present Bill proposes that on the first transfer there shall be compulsory registration of a possessory title at least, and that every transfer thereafter shall be effected by entry in the register, whether by way of conveyance or mortgage, *The Lord Chancellor* 17 *et seq.*; 54 *et seq.*; 117-119. 294-296. 325-345.

Existence of the principle of compulsion in relation to the transfer of land already in Middlesex, Yorkshire, and Scotland, where there is compulsory registration of deeds with a view to preventing fraud; superiority of a system of registration of title, *The Lord Chancellor* 34 *et seq.*; 204 *et seq.*

Denial of the suggestion that the Bill endeavours to compel people to do that which they are unwilling to do; belief that the power to register with a possessory title is not so much used as it might be, because it is very little known to the general public, *The Lord Chancellor* 49-53. 65-69. 318 *et seq.*

Argument in support of the conclusion that the compulsory clauses of the Bill would be a great hardship on landowners; uncertainty as to the Bill being ultimately to the benefit of the general public, *Wolstenholme* 401-403. 655-658. 665-676. 884 *et seq.*—— Grave objection, on the ground of public policy and from the State point of view, to setting up such a system of compulsory registration and compensation as is proposed by the Bill; references to special cases in support of this objection, *ib.* 442 *et seq.*—— Strong objection to the compulsory clauses of the Bill, as they would be very mischievous if applied to all property; belief that this view is general in the branch of the legal profession to which witness belongs, *ib.* 515-524.

Anticipation that the effect of a compulsory registration system would be to diminish transactions in land to a substantial extent, *Hunter* 974——Contention that it is an extreme measure to prohibit people making use of the system that has existed for centuries, and to compel them to use a new system which, so far as it has been tried, has proved not to be adapted to the wants of the public; non-admission that there has been full and complete inquiry into the matter, *ib.* 1086. 1247, 1248. 1300-1326—— Disapproval of any such system of compulsory registration of title as that proposed by the Bill, *Mackenzie* 1643.

Strong objections of witness, based on experience, to the policy of the present Bill and the principle of compulsion, *Lake* 2512 *et seq.*——Opinion that any new system should be so much better than the old as to justify the compulsion upon landowners to adopt a plan of conveyancing which they may consider not best suited to the circumstances of their estates, *ib.* 2526.

Sole or main objection of witness to the Bill that it proposes to make the system of the Act of 1875 compulsory over the whole of England eventually; disapproval of that system as being too inflexible, *Lake* 2914 *et seq.*; 2952. 3061-3070——Belief that if the Bill were not made compulsory, and small cases were exempted from its operation, it would go a long way towards meeting the objections raised, *ib.* 3571-3583.

Objection to the compulsory use of a new system; experience that the present system works sufficiently well, *Middleton* 3643. 3707-3713. 3716, 3717. 3724-3730—— Advocacy of the compulsory registration of all deeds verbatim, this not applying to titles, *ib.* 3696-3701—— Objection to the proposed system being made compulsory, owing to the increased cost and delay, *Pybus* 3854, 3855. 3857-3859.

See also *Cost, &c.* *Experimental Operation of Bill.* *Incorporated Law Society.* *Insurance Fund.* *Solicitors.*

Cost (Fees, Solicitors' Costs, &c.):

Doubt as to the cost after the first registration under the Bill being much less than it now is, as a great deal of cost would arise from attendances at the registry, *Wolstenholme* 677 *et seq.*——Opinion that the saving of expense under the proposed system would be confined to simple conveyances, where the register could be relied upon, *ib.* 734—— Belief that there would be no material saving on the first sale in the case of a fee-simple where the purchaser was content to accept the title of the owner without investigation, *ib.* 739-741.

Absence of any great complaint that conveyancing is difficult or expensive under the present system; doubt as to the proposed system effecting any enormous saving of expense, *Hunter* 999-1021. 1067-1070——Impossibility of the entry on the register being made sufficient to enable the purchaser to dispense with other inquiries, as in the case of consols; reference hereon to certain points upon which witness differs from Mr. Wolstenholme, *ib.* 1073 *et seq.*; 1266-1272. 1336 *et seq.*——Explanation that if inquiries as to equities did not have to be made the examination of deeds would be the one thing that would be saved if the proposed registration scheme be adopted, *ib.* 1080, 1081.

Statements in support of the conclusion that in the very large number of dealings with land, other than out-and-out sales and mortgages, the proposed system will add to the

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Cost (*Fees, Solicitors' Costs, &c.*)—continued.

the trouble and cost of each transaction the necessity of making an entry of some sort on the register; details hereon as to the cost of registering with a possessory title, *Hunter* 1083. 1182–1190. 1217–1235. 1373–1395.

Agreement that the scale of the 16th January 1889, as to the cost of transfers in the registry would a be great improvement financially; doubt, however, as to the charges therein being all the expenses that would be incurred under the new transfer system, *Bonser* 2218 *et seq.*; 2274.

Strong objection to the present Bill on the ground that the cost of registration with a merely possessory title will be altogether additional, as well as considerable, and will fall on the present generation of landowners, and of artisans and small purchasers, for the sake of a problematical benefit to the next generation, *Lake* 2564–2567——Several cases cited in illustration of the cost of registration under the present system, and of the additional cost (as for insurance, &c.) under the present Bill, *ib.* 2608 *et seq.*——Non-objection to a land registry system, as regards title, if transactions could be effected under it as well and as cheaply as under the present system, *Ward* 2804 *et seq.*; 2867——Attention called to the advantage under the proposed system of a man being able, in simple cases, to carry out his own conveyance, *Lake* 3536–3541.

Probability that the proposed system would increase the cost of transfer unless there was also simplification of title, *Middleton* 3657. 3701–3703. 3741–3743——Opinion that complaints as to solicitors' costs are rare, *ib.* 3628. 3637. 3642. 3654.

Estimate that the costs of conveyancing, as at Liverpool, are about 1 per cent., *Morton* 3767–3770. 3813–3816. 3821–3825——Evidence showing that the cost of conveyancing at Liverpool for transactions up to 1,000*l.* never exceeds 1 per cent.; instance quoted of cheap conveyancing on a building estate where purchasers get a free conveyance and mortgage for 3*l.* 3*s.* per site, *Pybus* 3845–3848. 3879–3881——Approval of register of title if it could be carried out with simplicity and cheapness; table handed in showing that if registration were added the cost per site on the above estate would be 8*l.* 12*s.* 6*d.*, *ib.* 3849–3853. 3860–3878.

Reports and returns obtained by the Incorporated Law Society with reference to the cheapness of small conveyancing transactions, *App.* 208–237.

Classified returns from all parts of England (except Birmingham and London) showing the time occupied in carrying out various transactions, the purchase-money, and the amount of solicitors' costs in each case, *App.* 212–216. 233–237.

Specimen cases in London in January and February 1893, showing in each case the cost of conveyance, amount of duty, cost of plan and registration, and purchase-money, *App.* 217.

Return prepared for the Birmingham Law Society showing for numerous conveyances, purchases, sales, &c., the time before completion of each transaction and the cost, *App.* 218–229.

See also *Amendment of System. Birmingham. British Land Company. Building Estates and Building Societies. Insurance Fund. Investigation of Title. Land Registry. Oldham. Small Transactions. Solicitors. Sunderland.*

Covenants. Difficulty in regard to covenants in connection with the proposed register; necessity of there being varied covenants on building estates where there are different kinds of houses on the same estate, *Ward* 2812–2835——Advisability of allowing personal covenants and covenants against consolidation of mortgages to be placed on the register, *Lake* 3463–3471.——*See* also *Restrictive Covenants.*

D.

Debenture Stock Issues. Particulars of a case in 1890 in which witness carried out an issue of 500,000 *l.* in debenture stock secured as a first mortgage on 275 separate properties (freehold, leasehold, and copyhold); great increase of cost in fees for searches, &c., if these properties had been on the register, whilst the insurance fee would have been 520*l.* 16*s.* 8*d.* in addition, *Lake* 2635–2640.

Reference to a case in 1893 in which witness carried out an issue of 200,000*l.* in debenture stock, secured by a trust deed upon freehold property in Middlesex; large additional expense for fees, insurance, &c., if the property had been registered under the Act of 1875, with a possessory title, *Lake* 2641——Additional statement respecting the issue of 500,000*l.* in debenture stock, *ib.* 3197–3202.

Delay. Evidence in support of the conclusion that there is much delay under the Land Registry system established by the Act of 1875; cases in illustration, *Lake* 2527 *et seq.*; 2608 *et seq.*; 3477–3480——Instance of the great injury which would have accrued to a certain owner holding jointly with his son, who was abroad, if he could not promptly

Delay—continued.

have raised a large sum on the estate, this not being possible if it had been on the register, *Lake* 2748 ——Details of a case in which expedition was so vital that a whole deed was telegraphed to Australia, *ib.* 3584–3602——Absence of complaint as to delay under the present system in the registration of deeds, as in Yorkshire, *Middleton* 3691–3695.

Table handed in of some transactions at the Land Registry, giving the date when the papers were sent in, and the date when they were returned completed, showing a delay of from two to six months, *Morton* 3774–3777. 3786–3794. 3799–3812. 3817–3820——Statement as to the desire of clients to carry through their purchases quickly, *ib.* 3795–3798.

Reports and returns as to the time occupied in the completion of numerous transactions (conveyances, mortgages, &c.), under the present system throughout the country, *App.* 208 *et seq.*

See also *Cost.*

Deposit of Deeds. See *Banks.*

Dewsbury. Information obtained from members of the Dewsbury County Court District Society respecting the costs and time occupied in carrying through conveyances and other transactions, *App.* 230.

Dissolution of Parliament. Conclusion arrived at by the Committee (2nd July) that, in view of the impending Dissolution of Parliament, it is not possible to complete the evidence which bears upon the Bill, *Rep.* iii.

Double Title. Result, in many cases, that there would be both a registered title and a real title on the register, *Lake* 2665——Inconvenience of the double title in the case of copyholds, Parliament having recognised this evil, *ib.* 2666–2671.

Further discussion respecting cases of double titles, as where the register would show the transfers of legal estates, but in which there might be equitable estates outstanding controlled by deeds supplemental to the register, *Lake* 3396–3462.

Draft Report. Draft Report proposed by the Chairman, and adopted by the Committee, without amendment, *Rep.* vi.

E.

Easements. Difficulty in creating easements after registration under the proposed scheme; no doubt that certain restrictive covenants could be put upon the register, but the simplicity of the register would be reduced in consequence, *Wolstenholme* 464–470——Absence of any express power in the Bill to grant easements over registered land, *ib.* 752, 753. 925–927.

Necessity of the intending purchaser satisfying himself by actual inquiries, not only of the vendor but of the occupiers for the last twenty years at least, that no easements exist; non-application to easements of the Statute of Limitations making twelve years a good title, *Hunter* 1076. 1174–1177. 1354 *et seq.*

Encumbered Titles. Opinion that it would be a great advantage to have the power of registering for a time a title that was heavily encumbered, and of taking it off the register as soon as it was cleared; preference for title deeds, instead of a certificate when the title has become good again, *Saunders* 1824. 1842–1844. 1979–1983.

Exchanges of Land. Objections as regards exchanges of land and alterations of boundaries where land is on the register with an indefeasible title, *Lake* 2741.

Expedition (*Completion of Transactions*). Reports and Returns obtained by the Incorporated Law Society with reference to the expedition of small conveyancing transactions throughout the United Kingdom, *App.* 208–237.——*See* also *Delay.*

Experimental Operation of Bill. Attention drawn to the fact that the Bill does not propose that the scheme should come into immediate operation throughout the country, but only in such districts as may be defined by Order in Council from time to time, *The Lord Chancellor* 34. 202 *et seq.*; 292, 293. 346–348——Objection to the Bill being limited, as an experiment, to Middlesex and Yorkshire; if the system does not work in a satisfactory manner the Act can be repealed, *ib.* 209–218.

Desirability, if the new system be imposed, of making it really a tentative measure by limiting its duration as well as its area, *Hunter* 1087–1093——Reference to the proposed system as an untried one, witness contending that the onus of proof lies with the promoters, *Lake* 2513——Opinion that if it be decided to try the principle of compulsory registration the experiment should be limited to a particular area and to a specified period, *ib.* 2749–2751.

Experimental Operation of Bill—continued.

Preference of witness that the limited area on which the Bill is to be first tried should be named in the Act rather than be left to an Order by the Lord Chancellor; suggestion also that the experiment should be limited to seven years, *Lake* 2958–2961. 3001–3004——Conclusion that the proposed system should be perfected and proved by experience, and not made compulsory on assumption; belief, moreover, that, with the amendments proposed by witness, the system of transfer will be absolutely safe, *ib.* 3229–3232. 3522–3527. 3603–3607——Desirability of giving the Bill a trial if it were not compulsory, *Martin* 3826–3830.

F.

Fee Farm Rents. Reservation as to fee farm rents in the Bill of 1875; *Walstenholme* 476, 477.

Fees. Complete failure of the system under the Act of 1875 as regards fees; very large increase of the fees under the re-organisation in 1889; *Lake* 2520——Great facility with which the fees might be increased under a compulsory system, *ib.* 2525. 2602–2607——Difficulties as to the amount of fees payable in the Land Registry on large mortgages; illustration hereon, *ib.* 2642.

Comparison between the fees fixed in 1875 and those fixed in 1889; *App.* 251–253.

See also *Australia. Cost, &c. Insurance Fund.*

Foreign Countries. Opinion that the statement of the Land Transfer Registry that "the satisfactory results of compulsory registration in other countries is ignored" by the Incorporated Law Society is hardly fair criticism, some of the systems in use abroad having been studied on the spot, *Lake* 2922.

Forged Transfer Act. Reference to the Forged Transfer Act as having been passed in view of the facilities for forgery under the system of a register, *Lake* 2543. 2548. *See* also *Fraud.*

FRAUD:

Absolute certainty that there is an opportunity for fraud and forgery under the present system of private deeds, and that such opportunity is taken advantage of; opinion that the system proposed by the Bill will diminish fraud, while persons defrauded will be compensated out of the insurance fund, *The Lord Chancellor* 15, 16. 120, 121. 238–252. 296–300. 396——Object of Sub-section 4 of Clause 7 of the Bill to prevent a possible sale of the land by an executor against the will of the devisee, *ib.* 359–361.

Possibility, if the compensation be made adequate under the Bill, of there being colossal litigation and compensation in the case of a fraudulent registrar, *Wolstenholme* 439–441——Doubt as to the insurance fund proving amply sufficient to provide indemnity against any possible losses, in view of the losses that are incurred annually by forgeries, *Hunter* 1084, 1085. 1273, 1274——Possibility that such practices as the Toward building frauds would be obviated under the proposed registration system, *Mackenzie* 1679–1685.

Almost utter absence, under the present system of evidence of title and land transfer by deeds, of insecurity of title from fraud, witness being able to recollect only two cases; opinion of Mr. Osborne Morgan's Committee in 1878 that the present system is a perfectly safe one, *Saunders* 1774–1780. 1851. 1984–1987——Absence of any feeling of insecurity under the present system, witness, on the part of the British Land Company, having had no case of forged deeds or loss during the existence of the Company, *Bonser* 2199, 2200.

Grounds for the contention that the owner, when registered with an absolute title, is at the mercy of successful fraud or forgery; injustice of the compulsion upon him under the present Bill to incur this risk, *Lake* 2528–2531. 2540–2553——Decided objection to the registrar being vested with the power of dealing with a fraudulent entry, witness submitting that this discretion should not rest with anyone of lower rank than a Judge of the High Court, *ib.* 2529–2533.

Statement showing that frauds occur in connection with the creation of charges rather than in the transfer of the property; increased facilities for such frauds upon the register as compared with the system of deeds, *Lake* 2538–2542——Considerable losses of the Bank of England in the matter of forged transfers, as shown by a return on the subject, *ib.* 2543–2548.

Conclusion as to the very few cases in which frauds have been attempted under the existing system in connection with transfers of land, *Lake* 2550–2553——Much greater opportunity for frauds and mistakes in a register than under the present system, *ib.* 2563——Experience of witness to the effect that these is great facility for fraud in connection with the registration of land with a possessory title, *ib.* 2692, 2693.

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FRAUD—continued.

Further evidence in support of the view that there will be a certain amount of danger from fraud to landowners if the Bill passes, which does not exist under present conditions, *Lake* 3046-3058. 3103-3122——Suggestion that the possibility of fraudulent charges would be decreased by the attendance of a witness representing the owner of the property, *ib.* 3259, 3260. 3297, 3298.

Examination with further reference to the real owner's danger under the present system of finding himself fraudulently ousted from the property; advocacy of the production of the land certificate and the attestation of transfer, which, if adopted, will avert from the owner possible risk from fraud and forgery, *Lake* 3284–3315.

Consideration of the case of the innocent purchaser liable to prejudice under certain circumstances; belief that the production of the land certificate and the attestation of transfer, together with insurance, would render him absolutely safe, *Lake* 3315–3337——Result of experience that the present system is absolutely safe, *ib.* 3528-3530. 3532-3535- —Popular belief that registration prevents fraud, this not being the opinion of witness, *Pybus* 3842-3844.

See also *Identification of Parties.* *Insurance Fund.* *Peterson, Mr.*

G.

Gibbs v. *Messer.* Opinion that if Lord Watson's decision in Gibbs *v.* Messer, that the purchaser is bound to see that the vendor is the person on the register, holds good with regard to the present Bill, it will destroy half the value of the insurance fund, *Wolstenholme* 659-662——Reference to the case of Gibbs *v.* Messer as showing that it was the duty of the transferee of the land to satisfy himself that the person transferring to him was identical with the person named on the register, *Lake* 2530, 2531.

Gloucestershire and Wiltshire Law Society. Report from this society as to the small cost and the expedition of conveyancing, and other transactions under the present system, *App.* 211.

Guaranteed Title. Argument that it is much more advisable to have a guaranteed title on the register than an absolute title; quotation of Mr. Bricklade to this effect, *Lake* 2757–2759——Discussion respecting the degree of advantage to the purchaser, who would have a State guarantee to a registered title on any estate that had been registered for more than twenty years; witness does not see that this is any particular advantage, *ib.* 3554–3570.

H.

Halifax. Statement on the part of the Halifax Incorporated Law Society with reference to the cost in small cases of conveyance; local dissatisfaction with the requirements of the Land Registry Office, *App.* 231.

Herefordshire Incorporated Law Society. Report from this society as to the celerity and cost with which small transactions are carried out under the present system, *App.* 209.

Herts Law Society. Information supplied by this society as to the low charges and the expedition with which rural conveyancing transactions are now carried out, *App.* 209, 210.

House of Lords. Non-objection in the House of Lords to the principle of the present Bill, *The Lord Chancellor* 11.

Hunter, John. (Analysis of his Evidence.)—Witness, who is a solicitor practising at Lincoln's Inn, is President of the Incorporated Law Society; he was articled forty years ago to the firm in which he is now the senior partner, 951–955.

Exception taken to the production of a certain letter from a West of England solicitor as evidence of the views of solicitors; assertion that the law societies oppose the Land Transfer Bill, not on the ground of their professional interests, but because they consider it unnecessary, and likely to do more harm than good, 956, 957——Conclusion that, as investigations into title must still be made to a considerable extent under the Bill, solicitors will get as much benefit out of land transactions in the future as in the past, for this generation, at all events; possibility of the registration work compensating for some of the work that may disappear, 958, 959.

Apprehension of the law societies that unqualified persons, land agents and brokers, who are under no control, may have greater facilities under the Bill for carrying out their transactions than they have hitherto enjoyed, 960——Certainty that neither the law societies nor the solicitors, as a body, have set themselves against reform in land transfer,

Hunter, John. (Analysis of his Evidence)—*continued.*

transfer, all the reforms of the last fifteen years having been either originated or promoted by them, 961——Impression that the failure of the Act of 1875 is entirely attributable to the fact that it contains a clause which prevents the removal of land from the register when it has once been put on, 962, 963——Stronger feeling of the country law societies than of the London Law Society against the proposal to compel people to transfer their property by an entry in a book made by an official, instead of by a deed made by themselves or their advisers, 964.

Opinion that it would be far wiser to reform the present system of transfer by deed before attempting anything compulsory; belief that a similar opinion has influenced practically nearly all the law reformers until recently, 965-971. 1071, 1072.

Evidence to the effect that the practice of those learned lords who are in favour of the Bill has not been very largely in the transfer of land and practical dealing with conveyancing, 972, 973.

Anticipation that the effect of a compulsory registration system would be to diminish transactions in land to a substantial extent, 974——Inability of witness to understand why building societies, if they are anxious that registration should be made compulsory, do not make use of the voluntary registration under the Act of 1875, especially as the registrar has delivered lectures to them on the advantages of the system, 975, 976.

Experience of witness that there is nothing like the complication in leaseholds that there is in freeholds; statement hereon that the only thing that would be saved if the leasehold title were on the register would be the examination of the deeds transferring the legal estate in the property, 977-980——Difficulty of making the register work smoothly and simply when there are several improved rentals created under leases, 981-986.

Certainty that the transfer of public-houses in London would be very much hampered by the proposed registration system; illustration of the "change" that takes place on the sale of a lease, 987-991——Decided opinion that leasehold transactions in London would, in view of their vast number and varying character, be better dealt with in the way of transfer by deed than by entry on the register, 992-997.

Copy handed in of a paper read by witness at Liverpool, suggesting that the method of dealing with leaseholds might be assimilated to the method of dealing with freeholds, 998——Absence of any great complaint that conveyancing is difficult or expensive under the present system; doubt as to the proposed system effecting any enormous saving of expense, 999-1021. 1067-1070.

View of witness that the mode of dealing with equitable securities suggested in Clause 14 of the Bill is very cumbrous and quite unnecessary, the deposit certificate being apparently only a mode of getting a fee; desirability of a return to the Act of 1875 in this matter, 1022-1029——Illustration of the complicated cases of dealing with property that would be very difficult to record upon the land register; impossibility of showing on the register the conveyance of an undivided share, 1030-1035.

Concurrence of witness with Mr. Wolstenholme as to the difficulties connected with mines under the Bill, 1036-1038——Objection to the Bill with regard to the repeal of the Statute of Limitations so far as registered land is concerned, 1039-1043.

Opinion that before that portion of the Act of 1875 relating to the position of married women is re-enacted in 1895, notice should be taken of the alterations made in 1882 in the law as to married women's property, 1044——Disapproval of Section 4 of the Bill, with regard to leases granted by limited owners, 1045-1053.

Attention drawn to a defect in the proposed register whereby the tracing of a past title is prevented; still more serious objection that all investigation of the past in connection with the Succession Duty Act is shut out, 1054-1063——Unreasonableness of the proposition that the State should guarantee title by creating an insurance fund; disapproval of the State transacting registration business, 1064-1072.

[Second Examination].—Impossibility of the entry on the register being made sufficient to enable the purchaser to dispense with other inquiries, as in the case of Consols; reference hereon to certain points upon which witness differs from Mr. Wolstenholme, 1073 *et seq.*; 1266-1272. 1336 *et seq.*——Statement that as the present Bill does not make the boundaries appearing in the register binding upon the adjoining owners considerable difficulty would arise as to the exact boundary between registered and unregistered land, 1074. 1336-1346.

Danger that a purchaser who limited his inquiries to looking to the register might find the land which he had bought was burdened with very onerous obligations in respect of engagements entered into or imposed by law upon his predecessor towards his tenant 1075. 1347-1353——Necessity of the intending purchaser satisfying himself by actual inquiries, not only of the vendor but of the occupiers for the last twenty years at least, that

Hunter, John. (Analysis of his Evidence)—*continued.*

no easements exist; non-application to easements of the Statute of Limitations making twelve years a good title, 1076. 1174-1177. 1354 *et seq.*

Inquiry also requisite, before purchase in all districts containing minerals, as to whether any rights to enter and search for minerals exist in persons other than the vendor, 1077——Further reason why it would not be safe to rely solely on the register when purchasing land, some land being charged with, and some exempt from, land-tax, tithe rent-charge, quit-rents, Crown rents, heriots, &c., 1078. 1236-1246.

Indispensability of the intending purchaser of leasehold property satisfying himself that none of the conditions of the lease, the breach of which would entitle the lessor to enter, have been contravened, 1079. 1366-1372——Explanation that if inquiries as to equities did not have to be made the examination of deeds would be the one thing that would be saved if the proposed registration scheme be adopted, 1080, 1081.

View of witness that if the provision under the proposed scheme, relieving the purchaser from inquiring into the equitable title of the vendor and others, were made applicable to all land, registered and unregistered, the investigation of title would be a very simple and inexpensive business; report advocating this remedy handed in, 1081, 1082. 1112-1136. 1291 *et seq.*——Statement that in the very large number of dealings with land, other than out-and-out sales and mortgages, the proposed system will add to the trouble and cost of each transaction the necessity of making an entry of some sort on the register; details thereon as to the cost of registering with a possessory title, 1083. 1182-1190. 1217-1235. 1373-1395.

Doubt as to the insurance fund proving amply sufficient to provide indemnity against any possible losses, in view of the losses that are incurred annually by forgeries, 1084, 1085. 1273, 1274——Opinion that it is an extreme measure to prohibit people making use of the system that has existed for centuries and to compel them to use a new system which, so far as it has been tried, has proved not to be adapted to the wants of the public; non-admission that there has been full and complete inquiry into the matter, 1086. 1247, 1248. 1300-1326.

Desirability, if the new system be imposed, of making it really a tentative measure by limiting its duration as well as its area, 1087-1093——Fair inference from the Parliamentary Return of the Land Registry that registration of deeds in Middlesex must have cost the landowners between 36,000*l.* and 42,000*l.* a year: nor is witness aware that the register has improved the value of land in Middlesex, 1094-1096.

Information as to the treatment of the succession duties under several Acts; failure of Lord Halsbury's long and complicated clause in the Bills of 1888 and 1889 to relieve the purchaser, 1097-1101——Agreement with the view that, if the principle of registration were eliminated, there would be no objection to there being a string of fee-simple titles free from equities; admission that under such a system a certain number of equities, &c., would have to appear upon the title, 1102-1109. 1157-1161.

Approval of the suggestion that the present law should be amended with a view to eliminating from title, and conveyancing separately, all equitable interests other than derivative interests, 1110, 1111——Adherence of witness to his previously-expressed opinion that leasehold titles are simpler than freehold titles, 1137-1143.

Illegality under the Scotch Acts of the stipulation of the landlord that each leasehold transaction shall be registered, 1144——Necessity of making a thorough investigation of title, when registering an owner with an absolute title, under the proposed system; admission that the cost of the first registration would not be largely in excess of what is paid at present, and that subsequent transactions would be much cheaper, 1145-1161.

Suggestion that the State, instead of offering an absolute title, should give a guaranteed title, guaranteeing the purchaser against loss in consequence of any mistake made on the register, in regard to description, title, secret incumbrance, &c.; proposal hereon that the purchaser should invariably be the person to receive any money compensation, 1161-1171——Opinion that a case of incorrect boundaries is peculiarly a case where State compensation would be the true remedy; no doubt that the registrar would be careful not to pay compensation that was not absolutely necessary, 1162-1171. 1191-1197. 1258-1261. 1381-1386.

Possibility of removing the difficulties in the way of registration in connection with the succession duty and incumbrances of that kind, antecedent to the forty years' title, by a little adaptation of the compensation clauses of the Bill, 1172, 1173——Confirmation of witness' previously-expressed opinion that there would be great difficulty in effecting the transfer of a public-house under the proposed system, 1178-1181. 1327-1335.

Concurrence with the suggestion that equitable interests could be protected, after registration, by a caution or an inhibition; opinion that the latter is a complete restraint, but involves expense, 1198-1202. 1262-1265. 1355-1365——Undoubted fact that the opinion of the country solicitors is strongly adverse to the proposed alteration of the law in the direction of compulsion, 1203 *et seq.*; 1275-1292.

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Report, 1895—*continued.*

Hunter, John. (Analysis of his Evidence)—*continued.*

Great obstacles to any scheme under which large properties would be compelled to be registered, while small properties would be exempt, 1212 *et seq.*——Evidence to the effect that a man who had been in possession for ten years without a title would not be able to complete his title under the Statute of Limitations if the owner registered; absence of any necessity for the owner to go on the property after he has obtained the certificate, as no one could get a title against him by adverse possession, 1248–1257. 1398–1400.

I.

Identification of Parties. Difficulty of establishing the identity of the person on the register, as proposed by the Bill, with the person being dealt with; attention drawn to the fact that at present there are certain safeguards in regard to identity, *Wolstenholme* 686–698. 904–909.

Suggestion that power should be given under the Bill in the case of registered land, as in the case of ordinary land, to the purchaser to nominate his own witness to attest the entry and identity of the vendor; belief that this provision would go a long way to protect landowners from fraud, *Lake* 2889–2893. 3005–3022. 3032–3040. 3071–3076.——Additional evidence as to the desirability of documentary proof before a person is registered for a possessory title, to show that such person or his tenant is in occupation, *ib.* 3338–3348.

Incorporated Law Society. Criticism of the memorandum issued by the Land Transfer Registry in 1893 objecting to some observations made by the Incorporated Law Society on the Land Transfer Bill of that year, *Lake* 2918 *et seq.*——Explanation that the Society did not suggest any improvement in the present conveyancing system, because doing so would not have been relevant to the opposition to the 1893 Bill, *ib.* 2922.

Statement that the two main points taken by the Incorporated Law Society throughout in connection with the Bill have been opposition to compulsion and a request for an inquiry; certainty that the society has never written to electors to urge their members to vote against the Bill irrespective of these two points, *Lake* 2948 *et seq.*

Draft Report submitted by Mr. Hunter to the committee of the council of the society appointed to take into their consideration the suggestions relating to the improvement of the Law of Real Property contained in the address of the president, and to elaborate and bring forward proposals in the direction of such suggestions, *App.* 242, 243.

See also *Solicitors.*

Incorporeal Hereditaments. No doubt that, as Section 21 of the Bill prevents the Registration of incorporeal hereditaments being made compulsory, the registry of some estates could not be entirely completed at any period, *The Lord Chancellor* 253, 254.

Inhibition. Concurrence with the suggestion that equitable interests could be protected after registration by a caution or an inhibition; opinion that the latter is a complete restraint, but involves expense, *Hunter* 1198–1202. 1262–1265. 1355–1365.

Institute of Conveyancers. Report drawn up by a committee of the Institute of Conveyancers, containing suggestions for the improvement and amendment of the Bill in regard to a number of details, *Wolstenholme,* 742–751. *App.* 239–241.

Insurance Fund (Compensation):

Particulars of the insurance fund provided for in the Bill by means of which a person who buys land on the faith of the register and does not get it, or has to give it up because of defective title, is compensated; such funds in the Australasian colonies largely exceed the demands made upon them, *The Lord Chancellor* 27–33. 109 *et seq.* 255–259. 273–276. 381–385.——Dissent from the statement that the principle of the Bill suggests that in dealing with the insurance fund the integrity of the register should be maintained by compensating the real owner who has been deprived of his property, as the registrar's decision is subject to an appeal to the court, *ib.* 109–112. 301–303.

Necessity of there being some limitation to the time during which compensation from the insurance fund can be claimed, *The Lord Chancellor* 113, 114.——Disapproval of any rigid rule being laid down as to which person should have the land and which should be compensated in cases of defective title; anticipation that it will very rarely happen that the real owner will be turned out and only receive compensation, *ib.* 115, 116.——Opinion that the guarantee involved in sub-section 3 of Section 2 of the Bill is not likely to be a burden to any one, and is amply justified on the ground that it is in the public interest that any transfer of land should be simple, economical,

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INSURANCE FUND (COMPENSATION)—continued.

and secure, *The Lord Chancellor* 151——Evidence to the effect that calculations embodied in the Schedule to the Bill are justified on actuarial grounds by the Australian experience, *ib.* 152, 153.

Explanation that no time has been fixed for the termination of the insurance fund, because it is to be presumed that cases of fraud in which compensation would be due might occur indefinitely; conclusion that if the fund became too large the fee would be reduced, *The Lord Chancellor* 219–224——Opinion that there will be no injustice to the general ratepayer in the insurance fund being guaranteed by the Consolidated Fund, as the guarantee will not really be practical, *ib.* 263–272.

Vagueness of the Bill as to whether the first registered owner is to get any compensation whatever in case of eviction; undesirability of the decision as to the State paying compensation being left to a servant of the State, *Wolstenholme* 415 *et seq.*——Opinion that in cases of fraud the owner of the land ought to have the land, and that compensation ought to be paid to the person who comes in under the defective transfer; unfairness of limiting the amount of the compensation, *ib.* 434–438. 582–586. 649–658.

Hardship under the Bill that a risk is created for the landowner, and then he is required to pay insurance against such risk, *Wolstenholme* 484——Opinion that if Lord Watson's decision in Gibbs *v.* Messer, that the purchaser is bound to see that the vendor is the person on the register, holds good with regard to the present Bill, it will destroy half the value of the insurance fund, *ib.* 659–662.

Necessity of an insurance fund in connection with compulsory registration, the question being whether the cost should fall on the State or on the landowner, *Lake* 2759, 2760——Desirability of the limitation of time, after which no claim on the insurance fund can be made, being extended from one to twelve years, provision being also made for persons under disability, *ib.* 2886–2888. 3059, 3060.

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Prussia. Establishment of a system of registration of title in Prussia under the Act of 1872, *The Lord Chancellor* 38, 39.

Public, The. Examination to the effect that the registration scheme proposed in the Bill is promoted in the interest of the public, all who have dealings in land being likely to benefit by it; receipt by witness of a petition strongly in favour of the Bill from a county council, *The Lord Chancellor* 67, 68. 122 *et seq.*; 150. 349 *et seq.*; 386-388——Belief that the public know as much respecting the registration scheme described in the Bill as they know of any measure that passes through Parliament, it having been described in the House of Lords in five different sessions; embodiment in the Bill of the suggestions of legal bodies and others, *ib.* 184–187. 287–291.

Injustice in taxing the public to pay for securing compensation to a land owner in case his land is lost through fraud or error, *Wolstenholme* 405——Reference to popular feeling as favourable to the present system, *Saunders* 1768–1773——Decided opinion that the people of Nottingham would strongly object to the registration system proposed by the Land Transfer Bill being substituted for the present system; disinclination of the working man to give up his title deeds, *Bennett* 2035 *et seq.*; 2068–2080. 2092–2110——Inability of witness to see the slightest necessity for any change, the present system of land transfer being satisfactory to the public, and inexpensive, so far as he has knowledge of it, *ib.* 2053, 2054.

Absence of any complaints as to delay, expense, &c., under the present system, from any of the people for whom witness has acted; opinion that the system proposed by the Land Transfer Bill will not be an improvement, the present system working exceedingly satisfactorily, *Marsden* 2447, 2448. 2464. 2484–2493.

Conclusion that there is no popular demand for a compulsory system of registration; exception taken to the Lord Chancellor's views on this point, *Lake* 2516, 2517——Discussion as to whether the public think they pay too much for the transfer of each estate; opinion that the public do not trouble very much about it, but that reduced charges are due entirely to competition, *ib.* 3216-3228. 3571–3583——Belief that the people generally have no knowledge with regard to a compulsory register, and are quite satisfied with the present system, *Middleton* 3651–3656. 3714–3723.

Public Houses. Certainty that the transfer of public-houses in London would be very much hampered by the proposed registration system; illustration of the "change" that takes place on the sale of a lease, *Hunter* 987–991. 1178–1181. 1327–1335.

Pybus, Robert. (Analysis of his Evidence.)—Is a member of the firm of Gibson, Pybus and Pybus, solicitors, of Newcastle-upon-Tyne; has held several important positions which have given him exceptional opportunities of gathering experience in regard to the transfer of land, 3831–3841.

Reference to the popular belief that registration prevents fraud, 3842–3844——Testimony to the quickness with which business is transacted in Newcastle, 3845——Evidence showing that the cost of conveyancing for transactions up to 1,000*l.* never exceeds 1 per cent.; instance quoted of cheap conveyancing on a building estate where purchasers get a free conveyance and mortgage for 3*l.* 3*s.* per site, 3845–3848. 3879–3881.

Approval of register of title if it could be carried out with simplicity and cheapness; table handed in showing that if registration were added the cost per site on the above estate would be 8*l.* 12*s.* 6*d.*; 3849–3853. 3860–3878——Objection to the proposed system being made compulsory owing to the increased cost and delay, 3854, 3855. 3857–3859——Satisfaction of the people of Newcastle with the present sysem, 3856.

Q.

Qualified Title. Power under the Act of 1875 to put particularly indicated qualifications upon an absolute title, thereby creating a qualified title; such a title is very exceptional, *The Lord Chancellor*, 25. 259——Explanation that after the Bill has passed, a man need not register with a qualified title any more than he need do so at present, *ib.* 154–156.

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R.

Real Representative. No doubt that the establishment of a real representative would go a very long way towards simplifying titles; cordial approval of the proposal that the personal representative shall be constituted the real representative, *Wolstenholme* 512 *et seq.*; 525——Great difficulties which may arise under the Act of 1875 upon the death of the registered proprietor, the appointment of a real representative being, however, a necessary reform of the law in any case, *Lake* 2742–2747.

Removal from Register. Strong objection to the prohibition under the Act of 1875 upon the removal of land from the register after it has once been put on, *Hunter* 962, 963——Opinion of Mr. Brickdale as to people having been deterred from putting land on the register through loss of the former power of taking it off again, *ib.* 963——Decided objection to the proposal that when land is once on the register it shall never be taken off, *Atchley* 1526–1528.

Grounds for concluding that there should be power to remove land from the register, and that such power would lead to a considerable increase of registration; sanction already of this policy by Parliament, *Lake* 2752–2757——Belief that the concession of the right of removal of land from the register and of the title being made a guaranteed, instead of a possessory, one, would go far towards putting the register system on a fair trial with the present system, *ib.* 2972, 2973.

See also *Act of* 1875.

Restrictive Covenants. Desirability of those restrictive covenants, which are only personal contracts, being recognised as encumbrances on the register, *Russell* 2394–2405. 2424–2433——Instance of the inconvenience incurred through the registry declining to register restrictions unless they are lodged at the same time as the conveyances, *Lake* 2712——Particulars respecting a purchase with restrictions which could not be completed owing to the objection of the Land Registry to allow the restriction to be registered after the conveyance, *ib.* 3602, 3603——Opinion that restrictions are an essential part of a conveyance and ought to be put on the register, *Middleton* 3658–3671.——*See* also *Title.*

Rules and Regulations. Recommendation that some board or committee, similar to the present Rule Committee, should be established, in order to make the rules for the working of the proposed new Registry Department (if it be adopted), in continuation of the power given by the Act of 1895; *Lake* 2877–2880.

Russell, Arthur. (Analysis of his Evidence.)—Witness is a member of the firm of Russell and Company, of Coleman-street, who are solicitors to the British Land Company and a large building society, 2275–2277. 2370–2373.

Conclusion that under the registration system proposed by the Land Transfer Bill it would be practically necessary for the British Land Company to at once register all their unsold land; anticipation that there would be immense difficulty in identifying the various plots afterwards, 2282–2290. 2411–2415——Evidence to the effect that for the fees paid them by the land company witness' firm draws a plan, draws and engrosses a deed, stamps it, and when necessary registers it, taking the full responsibility for the transaction; absence of any complaint that the law charges are unreasonably high, 2291–2304.

No insecurity of title in dealing with property under the present system so far as witness's transactions are concerned; non-objection of the purchasers to the company's procedure in regard to investigation of title, 2305, 2306. 2342 *et seq.*——Particulars of the only two cases in which the company have had dealings with a registry office, the result in both being unsatisfactory, 2307–2312. 2434, 2435.

Opinion that the new system of transfer on the register would be no improvement, but would greatly increase the trouble, and probably the expense, in small transactions; belief that people are reasonably satisfied with the present system, 2313–2327. 2347 *et seq.*——View of witness that the cost of the small transfers, after the company had registered all their unsold land, would be as great as it is now, as it would not be possible to dispense with some of the covenants which cannot be entered on the register, 2313. 2328–2331. 2358 *et seq.*

Expectation that the expense in regard to plans will be considerably greater under the new system; advisability of there being a full description of the land on the register with a map upon a large scale, 2332–2341. 2416–2423——Grounds for the opinion that the proposed compulsory registration would very much hamper the business of building societies; apprehension of the societies that their transaction would be more or less public and dilatory, 2370–2393. 2406–2411——Desirability of those restrictive covenants which are only personal contracts being recognised as incumbrances on the register, 2394–2405. 2424–2433.

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S.

Sales. Suggestion that when sales are effected through the High Court, claims should be advertised for and the purchase money distributed according to those claims, thus giving the purchaser an indefeasible title, *Wolstenholme* 595–604 ——Opinion that it should be made compulsory to endorse upon deeds any sale that has been made, *Seebohm* 3900.

Saunders, Cornelius Thomas. (Analysis of his Evidence.)—Witness is a solicitor at Birmingham, where he has been in practice upwards of forty years; has been president of the Incorporated Law Society and the Birmingham Law Society, and has taken considerable interest in conveyancing matters for some years, 1741–1749.

Evidence to the effect that witness is one of those who made representations to Lord Cairns in 1874, with the result that his Lordship was satisfied that compulsory registration should not be extended to small properties; impracticability of the proposal to apply a system of registration to small transactions in and around Birmingham, 1750–1752—— Submission by witness of statistics showing the expedition with which, and the cost at which, small transactions have been carried out in his district, 1752–1756.

[Second Examination.]—Concise summary of 747 cases of sales and an analysis of 305 mortgage transactions, showing the average cost of each, together with modified report of the Birmingham Law Society, and a few cases of over 1,000*l.*, handed in; average cost of each transaction about 1 per cent., exclusive of stamps, 1757–1761. 1794–1797. 1812–1815. 1924 *et seq.*

Decided opinion that there would be extreme difficulty in carrying through conveyancing transactions under any system of registration of title and registration of transfer, especially in regard to small transactions; strong objection to the daily inconvenience that would arise from the interference of an official system with the solicitor's freedom of action, 1762–1764. 1845–1850. 1930–1942.

Statement that the conveyancing charges made by solicitors at Birmingham compare very favourably with those made by other professional men engaged in connection with land transactions; opinion that it would be an advantage to solicitors in the Midland district if the scale under the Remuneration Order could be reduced, 1765. 1910, 1911. 1988–2000.

Certainty that if the proposed legislation drives solicitors out of the field, the conveyancing transactions would fall into the hands of an inferior class of land agents, whose charges, being under no control, would probably be excessive, 1766, 1767. 1852.

Belief that the popular feeling is in favour of the present system, and that there would be very strong objection to any attempt to substitute registrar's certificates for deeds; instances of the advantage of possessing title deeds, 1768–1773. 1789. 1798–1809—— Almost utter absence, under the present system of evidence of title and land transfer by deeds, of insecurity of title from fraud, witness being able to recollect only two cases; opinion of Mr. Osborne Morgan's Committee in 1878 that the present system is a perfectly safe one, 1774–1780. 1851. 1984–1987.

Particulars of three transactions in which witness had dealings with the Land Transfer Registry; result of his experience that registration was the cause of much useless expenditure of money, time, and temper in these cases, 1781–1788. 1943 *et seq.*

Calculation showing that when a registered possessory title has ripened in thirty years into a title that could be taken without investigation, there is still no benefit or advantage under the registry system, while there is extra expense introduced into every case of investigation of title during the thirty years, 1789. 1866–1894. 1905–1917. 1954–1957. 1988–2000.

Desirability of making one or two reforms in the present system; suggestion that two of the recommendations of the 1878 Committee should be carried out, namely, the abolition of re-conveyances of mortgages and substitution of endorsed receipts, and the creation of a "real" representative, 1790–1792——Opinion that it would be a very practicable and acceptable thing if the Government were to reduce the stamp duty on conveyances, which at present presses very heavily, 1793.

Impossibility of registering one tenant in common as the owner of an undivided moiety of a fee-simple estate under the present registration system; inadequacy of the power under the Act of 1875 of registering a restriction, to meet this case, 1810, 1811. 1853. 1895–1903. 1912–1914. 1952–1954——Immense number of transactions under 100*l.* in the Black Country, where very great inconvenience would be caused by the expense of sending the solicitor to the nearest place where there was a registry, 1816–1821. 1854–1865.

Non-objection of the Law Society of Birmingham to a registration of deeds, such as exists in Middlesex and Yorkshire, which would be as effective a protection to the purchaser

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Saunders, Cornelius Thomas. (Analysis of his Evidence)—*continued.*

purchaser of a small holding as registration of title; disapproval by witness, however, of any form of registration of possessory title, it being far preferable that owners should keep their own title deeds, 1822-1825. 1970–1978——No doubt that trouble and expense would arise in selling building plots that had been carved out of an estate which was on the register, 1826–1837.

Belief that the disinclination of the legal profession and of the public in Birmingham to adopt registration is due to the dread of official interference and official delay; certainty that the absence of feeling in favour of registration is not due to ignorance, 1838–1841. 1904–1909. 1921–1923. 1958 *et seq.*——Opinion that it would be a great advantage to have the power of registering for a time a title that was heavily encumbered, and of taking it off the register as soon as it was cleared; preference for title deeds, instead of a certificate, when the title has become good again, 1842–1844. 1979–1983.

Seebohm, Frederic. (Analysis of his Evidence.)—Has been, since 1859, a partner in the banking firm of Messrs. Sharples, Tuke, and Company, carrying on business in the county of Hertford; is president of the County Bankers' Association, and appears to give evidence in regard to the effect of Clause 14 of the Bill on banking business, 3882–3885. 3901, 3902. 3971, 3972.

Detailed information showing that from 100,000,000*l.* to 150,000,000*l.* represents the amount that at the present moment is dependent upon the deposits of deeds in the banks of England and Wales, 3886, 3887. 3911-3915——Evidence respecting the nature of these loans, nearly the whole of which are transacted without the intervention of a solicitor; form of security by the deposit of deeds handed in, 3887.

Statement that the present system of deposit of deeds ensures four essential points, viz., promptness, security, nominal cost, and secrecy, 3887–3889——Representation made to the Lord Chancellor which resulted in Clause 14 being placed in the Bill, 3890, 3891——Grounds which led to the conclusion that Clause 14 would prove impossible to work, 3891. 3918–3922.

Impossibility of making prompt advances on the security of a deposit certificate, 3891. 3927–3937——Difficulties that would arise in a case to which an equity was attached, 3891. 3938–3944——Consideration of cases such as those of remainder-men, in which it is not at all clear that a deposit certificate could be obtained, 3891. 3944–3949. 3954–3969——Question as to the effect of the Bill on bankers who take the legal estate on their deposit certificate, 3891–3895.

Conclusion that the Bill will seriously interfere with bankers' business, 3897-3899. 3906-3910——Opinion that it should be made compulsory to endorse upon deeds any sale that has been made, 3900——Doubt expressed as to the security of bankers in regard to forgeries, 3900.

Satisfactory working generally of the present system, 3904, 3905——Probability that the difficulty in regard to cost would disappear were the land certificate made to answer the purpose of the deposit certificate, 3923-3927——Great difficulty in understanding the various Acts of Parliament, Orders, and Instructions, 3967–3970. 3973.

Selborne, Earl (the late). Question considered whether the late Earl Selborne was not favourable to the principle of registration of title, *Wolstenholme* 938-944.

Sheffield. Statement as to the expedition with which conveyances are carried through in Sheffield, *App.* 232.

Small Transactions:

Belief that at one time Lord Cairns proposed to exclude from his Bill all properties under 300*l.* in value; doubt as to this proposal being due to action taken by small owners, inasmuch as building societies who are largely concerned in small properties have made the strongest representations in favour of the Bill, *The Lord Chancellor* 70 *et seq.*; 124 *et seq.*; 308 *et seq.*; 322–325. 355–357.

Evidence in support of the contention that the cost of registration under the Bill will, in the case of small transactions, be much less than the expenses under the present system, *The Lord Chancellor* 122 *et seq.*; 260–262. 310–312. 374–380. 389-395——Doubt as to the system proposed by the Bill being likely to create an inferior class of practitioners, and to its being impracticable in small transactions; satisfactory working of the system in Australia, *ib.* 140 *et seq.*

Grounds for the opinion that the effect of the proposed register would be to increase the cost upon small transactions; belief that Lord Cairns came to the conclusion that registration was inapplicable generally to small transactions, *Wolstenholme* 454–460. 591–594——Anticipation that there would be an increased expense under the Bill on many small transactions for building purposes, especially if it happened that the title was well known, *ib.* 735 *et seq.*; 772–782——Desirability in cases where an estate has been made up of various pieces of land acquired at different times of there being some method by which the whole could be treated as one estate on the register, *ib.* 786–793.

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SMALL TRANSACTIONS—continued.

Great obstacles to any scheme under which large properties would be compelled to be registered, while small properties would be exempt, *Hunter* 1212 *et seq.*

Evidence to the effect that the charges adopted by witness at Bristol for the working classes are lower than those fixed by the Solicitors' Remuneration Act scale; submission by witness of lists showing the time taken in, and the charges made for, conveyancing a number of small properties in 1893 and 1894, the cases being taken as they stand in the ledger, without selection, *Atchley* 1407–1419. 1482 *et seq.*

Explanation that witness' charges, though low, are somewhat higher than those of other solicitors in Bristol; the date for completion of the transaction is invariably fixed by the vendor and purchaser, *Atchley* 1419–1425. 1482–1488——Assertion that the lists handed in show the total charge on each transaction, exclusive of the Government stamp, there being nothing additional in the shape of commission, procuration fee, &c., *ib.* 1531–1542.

Evidence with reference to certain representations made to Lord Cairns in 1874, with the result that his Lordship was satisfied that compulsory registration should not be extended to small properties; impracticability of the proposal to apply a system of registration to small transactions in and around Birmingham, *Saunders* 1750–1752—— Submission by witness of statistics showing the expedition with which, and the cost at which, small transactions have been carried out in the Birmingham district, *Saunders* 1752–1756; *App.* 208, 209. 218–229. 244–248.

Decided opinion that there would be extreme difficulty in carrying through conveyancing transactions under any system of registration of title and registration of transfer, especially in regard to small transactions; strong objection to the daily inconvenience that would arise from the interference of an official system with the solicitor's freedom of action, *Saunders* 1762–1764. 1845–1850. 1930–1942——Immense number of transactions under 100*l.* in the Black Country, where very great inconvenience would be caused by the expense of sending the solicitor to the nearest place where there was a registry, *ib.* 1816–1821. 1854–1865.

Anticipation that the working people who deal in small properties would have difficulties occasionally in raising money on the registrar's certificate, as people lend money more readily on deeds that they know and understand, *Bennet* 2047–2051——Opinion that the system of transfer on the register would be no improvement, but would greatly increase the trouble, and probably the expense, in small transactions; belief, moreover, that people are reasonably satisfied with the present system, *Russell* 2313–2327. 2347 *et seq.*

Possibility that under the new system small land transfer transactions would be attended with additional expense; certainty that they would not be effected so promptly as they are now, *Marsden* 2449, 2450. 2464–2466——Consideration of the effect of registration in the smaller cases, and of the cost involved; circumstance of Lord Cairns having decided to exempt properties under 300*l.* from the operation of the Act, *Lake* 2598–2601.

Reports and Returns obtained by the Incorporated Law Society with reference to the cheapness and expedition of small conveyancing transactions as carried out under the present system, *App.* 208–237.

See also *Birmingham. Bristol. British Land Company. Cairns, Earl (the late). Cost. Leeds.*

SOLICITORS:

Objection of the great majority of solicitors to the principle of land registration, and especially to the compulsory clauses of the Bill; disagreement of witness with the views of many solicitors to the effect that the present system is satisfactory, *The Lord Chancellor* 13. 199–201.

Evidence to the effect that in cases of mere transfer of the fee-simple with absolute title, and of ordinary mortgages, all that would be necessary under the Bill would be a simple entry in the register without the intervention of a solicitor, and without solicitors' costs, *The Lord Chancellor* 44 *et seq.*; 136–138. 263–265. 279–283——Conclusion that it will only be in the more complicated dealings in land that the assistance of a solicitor will be imperative, although, no doubt, most people will continue to consult their solicitors in all such matters, *ib.* 46–49. 139.

Impracticability of the idea of the Bill that the landowner is to have a certificate which is to enable him to deal as he likes with his land without lawyers, expenses, or fees, *Wolstenholme* 473, 474——Exception taken to a certain letter from a West of England solicitor as evidence of the views of solicitors; assertion that the law societies oppose the Land Transfer Bill, not on the ground of their professional interests, but because they consider it unnecessary, and likely to do more harm than good, *Hunter* 956, 957.

Conclusion

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SOLICITORS—continued.

Conclusion that, as investigations into title must still be made, to a considerable extent, under the Bill, solicitors will get as much benefit out of land transactions in the future as in the past, for this generation, at all events; possibility of the registration work compensating for some of the work that may disappear, *Hunter* 958, 959——Certainty that neither the law societies nor the solicitors, as a body, have set themselves against reform in land transfer, all the reforms of the last fifteen years having been either originated or promoted by them, *ib.* 961.

Stronger feeling of the country law societies than of the London Law Society against the proposal to compel people to transfer their property by an entry in a book made by an official, instead of by a deed made by themselves, or their advisers, *Hunter* 964——Undoubted fact that the opinion of the country solicitors is strongly adverse to the proposed alteration of the law in the direction of compulsion, *ib.* 1203 *et seq.*; 1275-1292.

Calculation showing that more than 9,000 solicitors are members of the several law societies, there being a total of 15,701 on the roll for England, *Lake* 2501——Expectation that country vendors and purchasers will still employ solicitors or agents under a system of compulsory registration, *ib.* 2596, 2597——Denial that solicitors as a body are opposed to registration, unless it be upon a faulty system, *ib.* 2691.

No doubt that the extreme hostility of the Land Registry Office to solicitors has affected the working of the Act of 1875 to some extent; belief that much more might have been done if solicitors had been invited to co-operate instead of being carefully excluded, *Lake* 2894 *et seq.*; 2932–2938——Explanation that although the Act of 1875 contemplates the intervention of a solicitor in dealing with land, the rules of 1889 expressly repeal that requirement, *ib.* 2897 *et seq.*

Evidence to the effect that the Incorporated Law Society has communicated with a large number of gentlemen of experience in different parts of the country, and that they dissent from the proposal in Clause I. of the Bill, to make an untried system compulsory, *Lake* 2926–2931. 2939 *et seq.*——Conclusion that on an absolute title the solicitors' work will be much less than it is at present, *ib.* 3542–3553.

See also *Birmingham. Bristol. Cost, &c. Incorporated Law Society. Land Agents. Small Transactions.*

Southampton. Statement as to sales of land at Southampton, showing the fees paid in each case to the Land Registry by the purchaser and the solicitors' charges as authorised, *App.* 254-257.

Stamp Duty on Conveyances. Opinion that it would be a very practicable and acceptable thing if the Government were to reduce the stamp duty on conveyances, which at present presses very heavily, *Saunders* 1793.

State (Guarantee of Title, &c.). Unreasonableness of the proposition that the State should guarantee title by creating an insurance fund; disapproval of the State transacting registration business, *Hunter* 1064-1072——Consideration of the suggestion that the State, instead of offering an absolute title, should give a guaranteed title, guaranteeing the purchaser against loss in consequence of any mistake made on the register, in regard to description, title, secret incumbrance, &c.; proposal, moreover, that the purchaser should invariably be the person to receive any money compensation, 1161–1171.

Contention that the State should defray the cost of a compulsory system instead of making the land registry a source of income, *Lake* 2521–2523. 2759, 2760.

Stationery (Land Registry). Unfairness of the advertisement, in the book of instructions, calling attention to the office stationer who receives instruments if sent by post with cash or cheque and acts generally for applicants at law stationers' charges, thus discouraging the employment of solicitors, *Lake*, 2899–2901. 2932 *et seq.*

Statute of Limitations. Objection to the Bill with regard to the repeal of the Statute of Limitations so far as registered land is concerned, *Hunter* 1039–1043——Evidence to the effect that a man who had been in possession for ten years without a title would not be able to complete his title under the Statute of Limitations if the owner registered; absence of any necessity for the owner to go on the property after he has obtained the certificate, as no one could get a title against him by adverse possession, *ib.* 1248-1257. 1398–1400.

Difficulties as to title under the Act of 1875 in cases where a purchaser disappears after having mortgaged his land to the vendor; that is, through the Statute of Limitations not applying to registered land, *Lake* 2664——View of witness that the Statute of Limitations should affect registered land, the fact that under the 1875 Act the Statute cannot operate adversely to a registered proprietor being a serious difficulty, *ib.* 2882.

Statutory Declaration. Necessity of a statutory declaration signed by the vendor under a system of registration of title, *Lake* 2509, 2516.

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Succession Duties. Information as to the treatment of the Succession Duties under several recent Acts; failure of Lord Halsbury's long and complicated clause in the Bills of 1888 and 1889 to relieve the purchaser, *Hunter* 1097–1101——Possibility of removing the difficulties in the way of registration in connection with the Succession Duty and incumbrances of that kind, antecedent to the forty years' title, by a little adaptation of the compensation clauses of the Bill, *ib.* 1172, 1173.

Evidence in support of the conclusion that Succession Duty should cease to be a claim against the land in the hands of a purchaser for value; suggestion that the duty should in all cases attach to the proceeds of the land, *Lake* 2762. 2868–2876.

Sunderland. Prevailing practice in Sunderland not to sell the land out-and-out, but to sell it in consideration of a perpetual annual ground rent secured upon the land and the erections on it; preparation of the ground deeds in duplicate, the purchaser having the original and the vendor the duplicate, *McKenzie* 1619–1623. 1644 *et seq.*——Experience of witness that the people of Sunderland are satisfied with the present charges for conveyances, which average about five guineas, including the ground deeds, stamp duty, plan and everything, and with the promptness with which such transactions are carried out, *ib.* 1624–1631. 1658 *et seq.*

Grounds for the opinion that conveyances could not be effected so expeditiously, cheaply, and satisfactorily under the system set forth in the Land Transfer Bill as they are now; preference of the people of Sunderland for the present system, *McKenzie* 1632–1643. 1653–1679. 1692–1712——Opinion that if the whole of the conveyances were registered there would be work enough to justify the establishment of a registry under the Bill at Sunderland, *ib.* 1707–1712.

Supplementary Deeds. Conclusion that under the system of registration supplemental deeds and a subsidiary title would frequently be necessary, whilst the cost of investigation would be thrown on the vendor instead of on the purchaser, *Lake* 2650–2654.

T.

TITLE:

Explanation that an absolute title is good practically against the world after examination by the registrar, while a possessory title merely shows that the registered proprietor is actually himself in possession; no doubt that a possessory title would, after sixty years, become an absolute title, *The Lord Chancellor* 17–24. 233–238. 313–317——Inability of witness to see what risks would be run by a person being on the register with a possessory title; chief advantage of such a title that in a certain number of years it would be regarded as absolute, *ib.* 91–108. 284–286.

Grounds for the opinion that the principle of taking a landowner's title out of his charge and putting it under an office under State control, as proposed in the Land Transfer Bill, is not only wrong, but is a hardship, *Wolstenholme* 401–403. 655–658. 665–679. 884 *et seq.*——Anticipation that the proposed registration of titles will very considerably restrict transactions in land; undue restriction, under the Bill, in cases where there are two tenants in common in undivided shares, *ib.* 406 *et seq.*; 528 *et seq.*; 623–627.

View of witness that if the public are prepared to submit to certain restrictions a perfectly simple title to land can be made without the trouble and expense of a register; advantage of this course that the landowner would not be liable to lose his land through a mistake in the registry office, *Wolstenholme* 407–413——Attention drawn to the fact that under the present system a person gets an absolutely perfect title in ten, twelve, or fourteen years; whereas, under the system proposed in the Bill, he is absolutely insecure as to the future, and if his land be taken away the compensation may be utterly inadequate, *ib.* 414 *et seq.*; 569 *et seq.*

Contention that if there be a register at all it should be merely a kind of "distringas" register to protect people's interests; no argument in the proposition that, because stocks and shares are transferred by register, land should be so transferred, *Wolstenholme* 450–453. 511–513——Conclusion that it would take twenty-five or thirty years to convert a possessory title in an average case into an indefeasible one under the Bill, *ib.* 489–492.

Adherence of witness to the opinion that leasehold titles are simpler than freehold titles, *Hunter* 977–980. 1137–1143——Agreement with the view that, if the principle of registration were diminished, there would be no objection to there being a string of fee-simple titles free from equities; admission that under such a system a certain number of equities, &c., would have to appear upon the title, *ib.* 1102–1109. 1157–1161.

Belief that there would be very strong objection generally to any attempt to substitute registrars' certificates of title for title deeds; instances of the advantage of possessing title deeds,

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TITLE—continued.

deeds, *Saunders* 1768-1773. 1789. 1798-1803——Personal impression of witness that parchment title deeds are safer than a registrar's cer ificate, *Bennett* 2129–2140.

Doubt as to the shortening of titles, due to the establishment of an authorised scale of charges, and the consequent abolition of the system under which solicitors were paid for each item, having resulted in titles not being so good as they were, *Lake* 3123-3130—— Explanation of the difference between a legal and an equitable title, *ib.* 3400–3405.

Examination as to the practicability of the registration of titles in preference to deeds; belief that it will be almost impossible to register titles with simplicity, *Middleton* 3731–3737.

See also *Boundaries and Plans. Compulsory System. Double Title. Fraud. Guaranteed Title. Investigation of Title. Leaseholds. Mortgages. Possessory Title. Qualified Title. Real Representative. Statute of Limitations.*

Torrens, Sir Robert. Circumstance of Sir Robert Torrens, though an advocate of the Australian system, having positively declined to register any of his land in England, *Lake* 2689–2691. 2922. 3514–3521.

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Undivided Shares. Inability of witness to see why an undivided share should not be registered under Clause 21 of the Bill; desirability of any number of part owners being allowed on the register, *Wolstenholme* 723–733——Illustration of the complicated cases of dealing with property that would be very difficult to record upon the land register; impossibility of showing on the register the conveyance of an undivided share, *Hunter* 1030–1035.

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Voluntary System. Conclusion that the voluntary registration provided by the Act of 1875 is unpopular, chiefly because it greatly restricts all dealings in land; many cases in which owners have taken steps, under the Act of 1862, to have their estates removed from the register, *Wolstenholme* 757–764.

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REPORT

FROM THE

SELECT COMMITTEE

ON

LEICESTER WRITS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
3 *May* 1895.

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247.

Leicester Writs.

Ordered,—[*Wednesday, 27th February* 1895]:—That a Select Committee be appointed to inquire and report on the Returns made to this House to the Two Writs issued on 22nd August 1894, for the return of Members to serve for the Borough of Leicester, and the circumstances attending the holding of the election, and whether, as the time for petitioning has expired, the case is such as to require further action in respect of such Returns on the part of the House.

Committee nominated of,—

Mr. Secretary Asquith.	Mr. T. M. Healy.
Mr. Attorney General.	Sir Henry James.
Mr. Balfour.	Mr. Grant Lawson.
Sir James Carmichael.	Mr. MacNeill.
Mr. Chamberlain.	Sir George Osborne Morgan.
Mr. Curzon.	Sir John Mowbray.
Sir Charles Dilke.	Viscount Wolmer.
Mr. John Ellis.	

Ordered,—[*Friday, 1st March* 1895]:—That the Committee have power to send for Persons, Papers, and Records.

That Five be the Quorum of the Committee.

That the Clerk of the Crown do produce to the said Committee Copies of the Writs issued for holding Elections for the said Borough and the Return thereto.

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REPORT.

THE SELECT COMMITTEE appointed to inquire and report on the Returns made to this House to the Two WRITS issued on the 22nd August 1894, for the Return of MEMBERS to serve for the BOROUGH OF LEICESTER, and the circumstances attending the holding of the Election, and whether as the time for petitioning has expired the case is such as to require further action in respect of such Returns on the part of this House;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

LEICESTER is an undivided Borough returning two Members to Parliament. Prior to the 22nd August 1894 the Members for the Borough were Mr. J. A. Picton and Sir James Whitehead. Mr. Picton had represented Leicester in several Parliaments. Sir James Whitehead was first elected, without a contest, in conjunction with Mr. Picton, at the General Election of 1892. On the 22nd August 1894 the following Resolutions were moved and carried in the House of Commons:—

"*Ordered*, That Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of Sir James Whitehead, Baronet, who since his election for the said borough, hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in County of York." The next entry is as follows: "*Ordered*, That Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of James Allanson Picton, Esquire, who since his election for the said borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham."

In pursuance of such Resolutions, Mr. Speaker on the same day issued two Warrants to the Clerk of the Crown in the following terms:—

205.

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of James Allanson Picton, Esquire, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham, for which this shall be your sufficient Warrant.

Given under my hand this twenty-second day of August 1894,

Arthur W. Peel, Speaker.

To the Clerk of the Crown in Chancery.

206.

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of Sir James Whitehead, Baronet, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in the County of York, for which this shall be your sufficient Warrant.

Given under my hand this twenty-second day of August 1894,

Arthur W. Peel, Speaker.

To the Clerk of the Crown in Chancery.

Upon receipt of such Warrants the Clerk of the Crown, upon the same day, issued and forwarded to the Mayor of Leicester two Writs in the following terms:—

72.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause election to be made according to law of a Member to serve in Parliament for the said Borough, in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of our Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in our County of Buckingham, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the twenty-second day of August, in the fifty-eighth year of our reign, and in the year of our Lord 1894.

Muir Mackenzie.

L.S.

To the Mayor of the Borough of Leicester.

A Writ of a new election of a Member for the said Borough.

Muir Mackenzie.

Crown Office in Chancery, Palace of Westminster.

73.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause election to be made according to law of a Member to serve in Parliament for the said Borough, in the place of Sir James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of our Manor of Northstead, in our County of York, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the twenty-second day of August, in the fifty-eighth year of our reign, and in the year of our Lord 1894.

Muir Mackenzie.

L.S.

To the Mayor of the Borough of Leicester.

A Writ of a new election of a Member for the said Borough.

Muir Mackenzie.

Crown Office in Chancery, Palace of Westminster.

Upon receipt of such Writs the Mayor of Leicester, after consulting the town clerk, issued the following notice for the holding of an election:—

BOROUGH OF LEICESTER.—PARLIAMENTARY ELECTION, 1894.

The Returning Officer of the Borough of Leicester will, on Monday, the twenty-seventh day of August 1894, between the hours of ten o'clock in the forenoon and twelve o'clock at noon, proceed to the nomination, and, if there is no opposition, to the election of two Members for the said Borough (in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of the Chiltern Hundreds of Stoke Desborough and Bonenham, and James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of the Manor of Northstead), in the Crown Court, at the Town Hall, in the said Borough.

Forms of Nomination Paper may be obtained at the Town Clerk's Office, Town Hall, Leicester, between the hours of eleven o'clock in the forenoon and one o'clock in the afternoon on Friday and Saturday, the 24th and 25th days of August instant, and during the time appointed for the election, on the said Twenty-seventh day of August instant.

Every

Every Nomination Paper must be signed by two registered electors as proposer or seconder, and by eight other registered electors as assenting to the nomination.

Every Nomination Paper must be delivered to the Returning Officer by the Candidate proposed, or by his proposer and seconder, between the said hours of ten o'clock in the forenoon and twelve o'clock at noon, on the said twenty-seventh day of August 1894, at the said Town Hall.

Each Candidate nominated, and his proposer and seconder, and one other person selected by the Candidate, and no other persons, are entitled to be admitted to the room.

In the event of the election being contested, the Poll will take place on Wednesday, the twenty ninth day of August 1894.

Israel Hart,
Mayor.

Town Hall, Leicester,
Twenty-third day of August 1894.

In arriving at the determination to hold a single election, the mayor and town clerk were guided by considerations of economy and convenience. These gentlemen appear to have acted throughout with perfect good faith.

Four candidates were nominated—Mr. Broadhurst, Mr. Hazell, Mr. Rolleston, and Mr. Burgess. Mr. Broadhurst and Mr. Hazell were joint candidates in the same interest, having the same agents, staff, and committee rooms.

Mr. Rolleston and Mr. Burgess stood in separate interests, and were not joint candidates.

On the day before the poll, a question having arisen as to whether a single election would be a sufficient compliance with the two separate writs above-mentioned, the authorised representatives of all the candidates met and agreed to waive any objection on this score, and undertook, so far as was within their power, to accept the result of the election about to be held as binding upon them and the political parties which they represented.

The following is the result of the poll held on the 29th day of August 1894 :—

Broadhurst, 9,464 ; Hazell, 7,184 ; Rolleston, 6,967 ; Burgess, 4,402.

Thereupon, the Returning Officer made to the Writ, directing a Member to be elected in the place of Mr. Picton, the following Return :—

"I hereby certify that the Member elected for the Borough of Leicester, in "pursuance of the within written Writ, is Henry Broadhurst, of Overstrand, Cromer, "Norfolk, stonemason.—*Israel Hart*, Mayor of Leicester."

And to the Writ directing a Member to be elected in the place of Sir J. Whitehead, the following Return :—

"I hereby certify that the Member elected for the Borough of Leicester, in "pursuance of the within written Writ, is Walter Hazell, of 15, Russell-square, printer "and publisher.—*Israel Hart*, Mayor of Leicester."

In the mode of holding the election and of making the returns the electors of Leicester appear to have acquiesced.

No petition against the election or returns has been presented.

Direct precedents or authorities as to the proper course of holding an election or elections under circumstances identical with those above described do not appear to exist.

There are numerous instances where the return of two Members, chosen together at a single election for an undivided constituency, has been declared void on the ground of corrupt practices affecting both the persons returned. In such cases the uniform practice of the House appears to have been to order a fresh election for both seats upon one motion, which has been followed by a single warrant and a single writ. The reason for the course so adopted seems to be, that the circumstances show that there has been no sufficient legal compliance with the original writ; and accordingly a second writ in substitution of the first has been issued, and a second election under identical conditions has been directed to be held.

Another case, of rare occurrence, in which a single election for both seats in an undivided constituency has been ordered by the House, is that in which both the Members returned together at a previous election have been, at or about the same time, removed

by death. An instance is to be found in the procedure followed in the case of Great Yarmouth in October 1796. In May of that year there was a general election, at which, in pursuance of a single writ, Lord Charles Townshend and Stephen Howe, Esq., were elected and returned as Members for the constituency. Both died within a short time afterwards, and on the 24th October 1796 the House ordered that the Speaker should issue his Warrant to the Clerk of the Crown to make out a new writ for the election of two burgesses to serve for the borough of Great Yarmouth in their room. It appears that in compliance with this Order, a single writ was issued and a single election held. There were three candidates for the two vacant seats, and after a contest General Loftus and Mr. Joddrell, who were at the head of the poll, were returned in pursuance of the writ by a single return.

Where two seats for an undivided constituency have been vacated by the practically simultaneous acceptance of places in the Government by both Members, a different practice has prevailed. In such cases the usage of the House has been by separate resolutions to declare each of the seats vacant, and to order two separate warrants to be issued for the making out of two separate writs. Among many instances, we may mention, as illustrations, the Orders of the House in May 1880 for the issue of separate warrants and writs for Birmingham and Hackney, in respect of the vacancies caused by the simultaneous acceptance of office, in the former case by Messrs. Bright and Chamberlain, and in the latter by Messrs. Fawcett and Holms. In none of these cases, however, and it may be added in none of a similar class brought to the notice of the Committee, were the new writs followed by a contested election. Hence the precise question involved in the present inquiry did not come up for determination.

It may be suggested that the distinction between the practice in vacancies of the kind last mentioned, and those previously dealt with, is to be found in the supposed desirability of giving to the constituency an opportunity of pronouncing separately, with regard to each of the Members whom it has previously returned, whether he retains its confidence under the new conditions created by his acceptance of office.

The conclusions to be derived from a consideration of the precedents, and of the reasons upon which they may be presumed to be founded, appear to be as follows:

(1.) That, according as the House thinks it right that the two vacant seats for an undivided constituency should be filled by a single election or by separate elections, it orders a single or two separate warrants and writs to be issued.

(2.) That in cases where there has been no sufficient compliance with a single writ for the simultaneous return of two Members, or where both the Members returned, in compliance with such a writ, have been simultaneously disabled from sitting by a common cause, such as death, which affords no ground for discriminating between them, the practice of the House has been, by a single order to direct the filling of the vacancies by a single election. But where the joint disability of the two Members returned has resulted from causes—such as the acceptance by each of a place in the Government—which may be regarded as entitling the constituency to discriminate between them, as, for instance, by determining that the one shall, and the other shall not, be opposed on re-election, the House has been accustomed by the machinery of two separate orders, followed by two separate warrants and writs, to give the constituency the opportunity of so doing.

In the case before us, both the Members for the undivided borough of Leicester were simultaneously desirous of retiring from Parliament. There being no machinery by resort to which a Member can resign his seat, the only way in which they could relieve themselves from the duty of further service in the House, was by applying for and accepting the sinecure offices of the stewardships of the Chiltern Hundreds and Northstead. The considerations which, as we have suggested above, may have influenced the House in ordering a double election, where each of two Members has taken a place in the Executive Government, hardly appear to apply to such a case as this. For, in the present instance, the acceptance of office was merely a formal act, necessary to give effect to the Member's intention of retiring, and the circumstances were such as to show that neither Member contemplated presenting himself as a candidate for re-election. It may well be, therefore, that if the matter had been considered in all its bearings, the House would have thought the precedent of a double vacancy created by death more in point

point than that of a double vacancy created by the acceptance of offices in the Government. If this view had been adopted and acted upon, a single resolution would have been moved, and a single writ issued, and the questions referred to us would not have arisen.

The House, however, proceeding upon the analogy of the cases of acceptance of office, declared each seat vacant by a separate Resolution, with the result that two separate writs were issued. There can, we think, be no doubt that when two or more separate writs are issued for the same constituency, it is the duty of the Returning Officer to hold a separate election, and make a separate return in respect of each. The House of Commons alone has the power of determining whether separate or combined elections shall be held; and the intention of the House might be defeated by local and personal influences, if it were to be conceded that, where two writs have been issued in pursuance of the orders of the House, it rests in the discretion of the Returning Officer whether he shall hold two elections or one.

We are, therefore, of opinion that the course pursued by the Returning Officer in this case was erroneous in point of procedure, and that the election was not duly held. But inasmuch as the proper conduct of elections is as a rule sufficiently safeguarded by the right of petitioning, the House, in our opinion, is not called upon to interfere where there is no allegation either of personal disability in the Member returned, or of malpractice or bad faith in the conduct of the election. We are satisfied, as above stated, that the Returning Officer acted in the exercise of an honest judgment, for the convenience and with the consent of all parties directly concerned in the election, and without any intention of influencing the result. We therefore recommend that the House take no further action in the matter.

3 *May* 1895.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 19*th March* 1895.

MEMBERS PRESENT:

Mr. Secretary Asquith.	Mr. Chamberlain.
Mr. T. M. Healy.	Mr. Curzon.
Sir John Mowbray.	Viscount Wolmer.
Sir Henry James.	Sir Charles Dilke.
Mr. John Ellis.	Sir James Carmichael.

Mr. ASQUITH was called to the Chair.

[Adjourned till Friday next, at Three o'clock.

Friday, 22*nd March* 1895.

MEMBERS PRESENT:

Mr. ASQUITH in the Chair.

Sir James Carmichael.	Mr. T. M. Healy.
Sir Charles Dilke.	Mr. Curzon.
Mr. Attorney General.	Mr. Grant Lawson.
Sir Henry James.	

Mr. *William H. Ley*, Clerk of the Journals, and Mr. *Muir Mackenzie*, Q.C., C.B., Clerk of the Crown, were examined.

[Adjourned till Friday next, at Three o'clock.

Friday, 29*th March* 1895.

MEMBERS PRESENT:

Mr. ASQUITH in the Chair.

Mr. John Ellis.	Sir James Carmichael.
Mr. MacNeill.	Viscount Wolmer.
Mr. Attorney General.	Sir Charles Dilke.
Sir Henry James.	

Mr. *William H. Ley*, was further examined.

Sir *Israel Hart* and Mr. *John Storey* were examined.

[Adjourned till Friday next, at Three o'clock.

Friday, 5*th April* 1895.

MEMBERS PRESENT:

Mr. ASQUITH in the Chair.

Mr. Curzon.	Sir Henry James.
Sir James Carmichael.	Mr. John Ellis.
Sir Charles Dilke.	Mr. MacNeill.

The Committee deliberated.

[Adjourned till Friday, 3rd May, at Half-past Three o'clock.

Friday, 3rd May 1895.

MEMBERS PRESENT:

Mr. ASQUITH in the Chair.

Sir Henry James.	Mr. Attorney General.
Sir John Mowbray.	Mr. Grant Lawson.
Mr. John Ellis.	Sir Charles Dilke.
Mr. Chamberlain.	Sir James Carmichael.
Mr. Balfour.	

DRAFT REPORT, proposed by Sir *Henry James*, read the first time, as follows:—

"1. LEICESTER is an undivided Borough returning two Members to Parliament. Prior to the 22nd August 1894 the Members for the Borough were Mr. J. A. Picton and Sir James Whitehead. Mr. Picton had represented Leicester in several Parliaments. Sir James Whitehead was first elected, without a contest, in conjunction with Mr. Picton, at the General Election of 1892. On the 22nd August 1894 the following Resolutions were moved and carried in the House of Commons:—

"'*Ordered*, That Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of Sir James Whitehead, Baronet, who since his election for the said borough, hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in County of York.' The next entry is as follows: '*Ordered*, That Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of James Allanson Picton, Esquire, who since his election for the said borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham.'

"In pursuance of such Resolutions, Mr. Speaker on the same day issued two Warrants to the Clerk of the Crown in the following terms:—

"205.

"By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of James Allanson Picton, Esquire, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham, for which this shall be your sufficient Warrant.

"Given under my hand this twenty-second day of August 1894,

"*Arthur W. Peel*, Speaker.

"To the Clerk of the Crown in Chancery.

"206.

"By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of Sir James Whitehead, Baronet, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in the County of York, for which this shall be your sufficient Warrant.

"Given under my hand this twenty-second day of August 1894,

"*Arthur W. Peel*, Speaker.

"To the Clerk of the Crown in Chancery.

"2. Upon receipt of such Warrants the Clerk of the Crown, upon the same day, issued and forwarded to the Mayor of Leicester two Writs in the following terms:—

"72.

"Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause

election to be made according to law of a Member to serve in Parliament for the said Borough in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of our Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in our County of Buckingham, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

"Witness ourself at Westminster, the twenty-second day of August, in the fifty-year of our reign, and in the year of our Lord 1894.

"*Muir Mackenzie.*

L.S. "To the Mayor of the Borough of Leicester.

"A Writ of a new election of a Member for the said Borough.

"*Muir Mackenzie.*

"Crown Office in Chancery, Palace of Westminster.

"73.

"Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause election to be made according to law of a Member to serve in Parliament for the said Borough, in the place of Sir James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of our Manor of Northstead, in our County of York, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

"Witness ourself at Westminster, the twenty-second day of August, in the fifty-eighth year of our reign, and in the year of our Lord 1894.

"*Muir Mackenzie.*

L.S. "To the Mayor of the Borough of Leicester.

"A Writ of a new election of a Member for the said Borough.

"*Muir Mackenzie.*

"Crown Office in Chancery, Palace of Westminster.

"3. Upon receipt of such Writs the Mayor of Leicester, after consulting the town clerk, issued the following notice for the holding of an election :—

"BOROUGH OF LEICESTER.—PARLIAMENTARY ELECTION, 1894.

"The Returning Officer of the Borough of Leicester will, on Monday, the twenty-seventh day of August 1894, between the hours of ten o'clock in the forenoon and twelve o'clock at noon, proceed to the nomination, and, if there is no opposition, to the election of two Members for the said Borough (in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of the Chiltern Hundreds of Stoke Desborough and Bonenham, and James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of the Manor of Northstead), in the Crown Court, at the Town Hall, in the said Borough.

"Forms of Nomination Paper may be obtained at the Town Clerk's Office, Town Hall, Leicester, between the hours of eleven o'clock in the forenoon and one o'clock in the afternoon on Friday and Saturday, the 24th and 25th days of August instant, and during the time appointed for the election, on the said Twenty-seventh day of August instant.

"Every Nomination Paper must be signed by two registered electors as proposer or seconder, and by eight other registered electors as assenting to the nomination.

"Every Nomination Paper must be delivered to the Returning Officer by the Candidate proposed, or by his proposer and seconder, between the said hours of ten o'clock in the forenoon and twelve o'clock at noon, on the said twenty-seventh day of August 1894, at the said Town Hall.

"Each Candidate nominated, and his proposer and seconder, and one other person selected by the Candidate, and no other persons, are entitled to be admitted to the room.

"In the event of the election being contested, the Poll will take place on Wednesday, the twenty-ninth day of August 1894.

"*Israel Hart,*
"Mayor.

"Town Hall, Leicester,
"Twenty-third day of August 1894.

"4. In arriving at the determination to hold a single election, the mayor and town clerk were guided by considerations of economy and convenience. These gentlemen appear to have acted throughout with perfect good faith.

"Four candidates were nominated—Mr. Broadhurst, Mr. Hazell, Mr. Rolleston, and Mr. Burgess. Mr. Broadhurst and Mr. Hazell were joint candidates in the same interest, having the same agents, staff, and committee rooms.

"Mr. Rolleston and Mr. Burgess stood in separate interests, and were not joint candidates.

"On the day before the poll, a question having arisen as to whether a single election would be a sufficient compliance with the two separate writs above-mentioned, the authorised representatives of all the candidates met and agreed to waive any objection on this score, and undertook, so far as was within their power, to accept the result of the election about to be held as binding upon them and the political parties which they represented.

"The following is the result of the poll held on the 29th day of August 1894:—

"Broadhurst, 9,464; Hazell, 7,184; Rolleston, 6,967; Burgess, 4,402.

"Thereupon, the Returning Officer made to the Writ, directing a Member to be elected in the place of Mr. Picton, the following Return:—

"'I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within written Writ, is Henry Broadhurst, of Overstrand, Cromer, Norfolk, stonemason.—*Israel Hart*, Mayor of Leicester.'

"And to the Writ directing a Member to be elected in the place of Sir J. Whitehead, the following Return:—

"'I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within written Writ, is Walter Hazell, of 15, Russell-square, printer and publisher.—*Israel Hart*, Mayor of Leicester.'

"In the mode of holding the election and of making the returns the electors of Leicester appear to have acquiesced.

"No petition against the election or returns has been presented."

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"1. DIRECT precedents or authorities as to the proper course of holding an election or elections under circumstances identical with those above described do not appear to exist.

"2. There are numerous instances where the return of two Members, chosen together at a single election for an undivided constituency, has been declared void on the ground of corrupt practices affecting both the persons returned. In such cases the uniform practice of the House appears to have been to order a fresh election for both seats upon one motion, which has been followed by a single warrant and a single writ. The reason for the course so adopted seems to be, that the circumstances show that there has been no sufficient legal compliance with the original writ; and accordingly a second writ in substitution of the first has been issued, and a second election under identical conditions has been directed to be held.

"3. Another case, of rare occurrence, in which a single election for both seats in an undivided constituency has been ordered by the House, is that in which both the Members returned together at a previous election have been, at or about the same time, removed by death. An instance is to be found in the procedure followed in the case of Great Yarmouth in October 1796. In May of that year there was a general election, at which, in pursuance of a single writ, Lord Charles Townshend and Stephen Howe, Esq., were elected and returned as Members for the constituency. Both died within a short time afterwards, and on the 24th October 1796 the House ordered that the Speaker should issue his Warrant to the Clerk of the Crown to make out a new writ for the election of two burgesses to serve for the borough of Great Yarmouth in their room. It appears that in compliance with this Order, a single writ was issued and a single election held. There were three candidates for the two vacant seats, and after a contest General Loftus and Mr. Joddrell, who were at the head of the poll, were returned in pursuance of the writ by a single return.

"4. Where two seats for an undivided constituency have been vacated by the practically simultaneous acceptance of places in the Government by both Members, a different practice has prevailed. In such cases the usage of the House has been by separate resolutions to declare each of the seats vacant, and to order two separate warrants to be issued for the making out of two separate writs. Among many instances, we may mention, as illustrations, the Orders of the House in May 1880 for the issue of separate warrants and writs for Birmingham and Hackney, in respect of the vacancies caused by the simultaneous acceptance of office, in the former case by Messrs. Bright and Chamberlain, and in the latter by Messrs. Fawcett and Holms. In none of these cases, however, and it may be added in none of a similar class brought to the notice of the Committee, were the new writs followed by a contested election. Hence the precise question involved in the present inquiry did not come up for determination.

"5. It may be suggested that the distinction between the practice in vacancies of the kind last mentioned, and those previously dealt with, is to be found in the supposed desirability of giving to the constituency an opportunity of pronouncing separately, with regard to each of the Members whom it has previously returned, whether he retains its confidence under the new conditions created by his acceptance of office.

"6. The conclusions to be derived from a consideration of the precedents, and of the reasons upon which they may be presumed to be founded, appear to be as follows:

"(1.) That, according as the House thinks it right that the two vacant seats for an undivided constituency should be filled by a single election or by separate elections, it orders a single or two separate warrants and writs to be issued.

"(2.) That in cases where there has been no sufficient compliance with a single writ for the simultaneous return of two Members, or where both the Members returned, in compliance with such a writ, have been simultaneously disabled from sitting by a common cause, such as death, which affords no ground for discriminating between them, the practice of the House has been, by a single order to direct the filling of the vacancies by a single election. But where the joint disability of the two Members return has resulted from causes—such as the acceptance by each of a place in the Government—which may be regarded as entitling the constituency to discriminate between them, as, for instance, by determining that the one shall, and the other shall not, be opposed on re-election, the House has been accustomed by the machinery of two separate orders, followed by two separate warrants and writs, to give the constituency the opportunity of so doing.

"7. In the case before us, as is made clear by the facts set forth in the earlier part of this Report, both the Members for the undivided borough of Leicester were simultaneously disabled from continuing to sit by illness. There being no machinery by resort to which a Member can resign his seat, the only way in which they could relieve themselves from the duty of further service in the House, was by applying for and accepting the sinecure offices of the stewardships of the Chiltern Hundreds and Northstead. The considerations which, as we have suggested above, may have influenced the House in ordering a double election, where each of two Members has taken a place in the Executive Government, hardly appear to apply to such a case as this. For, in the present instance, the acceptance of office was merely a formal act, necessary to give effect to the Member's intention of retiring, and the circumstances were such as to show that neither Member contemplated presenting himself as a candidate for re-election. It may well be, therefore, that if the matter had been considered in all its bearings, the House would have thought the precedent of a double vacancy created by death more in point than that of a double vacancy created by the acceptance of offices in the Government. If this view had been adopted and acted upon, a single resolution would have been moved, and a single writ issued, and the questions referred to us would not have arisen.

"8. The House, however, proceeding upon the analogy of the cases of acceptance of office, declared each seat vacant by a separate Resolution, with the result that two separate writs were issued. There can, we think, be no doubt that when two or more separate writs are issued for the same constituency, it is the duty of the Returning Officer to hold a separate election, and make a separate return in respect of each. The House of Commons alone has the power of determining whether separate or combined elections shall be held; and the intention of the House might be defeated by local and personal influences, if it were to be conceded that, where two writs have been issued in pursuance of the orders of the House, it rests in the discretion of the Returning Officer whether he shall hold two elections or one.

"9. We are, therefore, of opinion that the course pursued by the Returning Officer in this case was erroneous in point of procedure. But we are satisfied that it was adopted in the exercise of an honest judgment, for the convenience and with the consent of all parties directly concerned in the election, and without any intention of influencing the result. No petition has been presented against the return of either Member, nor, so far as we are aware, has any elector of Leicester invoked the intervention of the House. We therefore recommend that the House take no further action in the matter."

DRAFT REPORT, proposed by Sir *Henry James*, read a second time, paragraph by paragraph, and *agreed to*.

DRAFT REPORT, proposed by the *Chairman*, read a second time, paragraph by paragraph.

Paragraphs 1—6, *agreed to*.

Paragraph 7, amended, and *agreed to*.

Paragraph 8, *agreed to*.

Paragraph

Paragraph 9.—Amendment proposed in line 2, after the word "procedure" to leave out the words, "But we are satisfied that it was adopted," and insert the words, "and that the election was not duly held, but inasmuch as the proper conduct of elections is, as a rule, sufficiently safeguarded by the right of petitioning, the House, in our opinion, is not called upon to interfere where there is no allegation either of personal disability in the Member returned, or of malpractice or bad faith in the conduct of the election. We are satisfied, as above stated, that the Returning Officer acted"—(The *Chairman*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Proposed words inserted.

Other Amendments made.

Paragraph, as amended, *agreed to.*

Question, That the proposed Reports, as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	PROFESSION OR CONDITION.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
Sir Israel Hart - -	Gentleman, late Mayor of Leicester.	Dover - - -	2	2 2 –	1 15 6	3 17 6
Mr. John Storey - -	Solicitor, late Town Clerk of Leicester.	Leicester - -	2	4 4 –	1 10 –	5 14 –
				TOTAL - - - £.		9 11 6

LIST OF WITNESSES.

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MINUTES OF EVIDENCE.

Friday, 22nd March 1895.

MEMBERS PRESENT:

Mr. Secretary Asquith.	Sir Charles Dilke.
Mr. Attorney General.	Mr. T. M. Healy.
Sir James Carmichael.	Sir Henry James.
Mr. Curzon.	Mr. Grant Lawson.

MR. SECRETARY ASQUITH, IN THE CHAIR.

Mr. W. H. LEY, called in; and Examined.

Chairman.

1. YOU are, I believe, Clerk of the Journals?—Yes.

2. Do you produce the Journals of the House of Commons for Wednesday, the 22nd of August 1894?—I do (*producing the same*).

3. Will you read, for the information of the Committee, the two material entries appearing under that date?—The first is, "Ordered, that Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of Sir James Whitehead, Baronet, who since his election for the said borough, hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in County of York." The next entry is as follows: "Ordered, that Mr. Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester in the room of James Allanson Picton, Esquire, who since his election for the said borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham."

Sir *Henry James.*

4. There is some information which perhaps you may be able to assist me in getting from the Journals, and it is this. It frequently appears in the Journals of the House of Commons that motions have been made to issue a writ to elect two Members at a bye-election, and that a motion is made for that purpose. It arose in this way; in the olden days when there were a great many constituencies with double membership it frequently happened that both those Members had been unseated on petition. Several instances occurred after the general election in 1874, for example. In those cases there were two vacancies created in this way that the original writ had never been duly fulfilled; and what I would wish to get in evidence would be that in those instances only one motion was made for one election, and not, as in this case, two motions for two elections?—I will look up the cases to which the Right honourable Member refers.

5. You have not got the Returns here, of course, but perhaps you will refer to the Journals of 1874, following upon the general election, and look up cases of Members being unseated on Petition in the way I have described, so that you would be able to give us evidence as to how the motion was made in regard to the return?—Yes.

Mr. *T. M. Healy.*

6. There was the case of Ipswich in 1886, to which you might also refer?—Yes.

Chairman.

7. It would be well to have the Journals for 1880 also. Would you produce for the information of the Committee at their next sitting, the Journals of 1874, 1880, and 1886?—Yes.

Mr. KENNETH MUIR MACKENZIE, C.B., Q.C., called in ; and Examined.

Chairman.

8. You are Clerk of the Crown?—Yes.

9. Do you produce Mr. Speaker's Warrant to you to make out a new Writ for electing a member for the Borough of Leicester in the room of Sir James Whitehead?—I do.

10. Would you kindly put that in?—(*The same was delivered in.*)

11. I observe that it is dated the 22nd of August 1894?—That is so.

12. Do you also produce Mr. Speaker's Warrant for a new writ for electing a member for the same borough in the room of Mr. Picton?—I do (*producing the same*).

13. That is a separate warrant ; is it?—It is.

14. Will you hand that in?—(*The same was delivered in.*)

15. I see that is dated the same day as the other one, namely, the 22nd of August?—Yes.

16. Did you in pursuance of these Warrants make out writs?—Yes.

17. Did you make out one or two writs?—Two writs.

18. Do you produce those writs?—Yes, I produce the original writs, and I have also *fac simile* copies which I can hand in.

19. Will you hand them in?—(*The same were delivered in.*)

20. I do not know whether it is material or not, but I notice at the top of one of the writs the Number 72, and at the top of the other the Number 73 ; does that indicate the order in which they were sent out?—The writs are numbered as received; in this case they arrived together.

21. There is nothing, I suppose, to show which of these two warrants you received first. I see on the warrant in regard to electing a Member in the room of Mr. Picton, the Number 205, and on the other the Number 206?—They were received together, and numbered consecutively.

22. I noticed that because they are in different order from that of the entries in the Journals which have been read to you?—Yes.

23. Those numbers indicate, you say, the order in which you received the documents, or sent them out, as the case may be?—Yes ; that is the general rule ; in this case they were received and sent out together.

24. Did you subsequently receive back these writs endorsed with the return?—Yes.

25. Taking the writs in order, beginning with No. 72, which is the writ for a new election in the place of Mr. Picton, I see it is endorsed first with the date of its receipt by the mayor, and next with the following entry : "I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within-written writ is Henry Broadhurst, of Overstrand, Cromer, Norfolk, Stonemason ;
Israel Hart, Mayor of the Borough
, of Leicester"?—Yes.

26. The other one, Number 73, which is for a new election in place of Sir James Whitehead, is endorsed as follows : "I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within-written writ, is Walter Hazell, of 15, Russell-square, London, Printer and Publisher ;
Israel Hart, Mayor of the Borough,
of Leicester"?—Yes.

Chairman—continued.

27. Then there is a further endorsement showing when these returns were received : "Received 31st of August 1894"?—Yes.

Sir *Henry James.*

28. Let me ask you, as a general question, can you find amongst the documents or records in your possession any trace of a case where there has been one election and two returns made in pursuance of one election?—No ; I do not think there is any such case. I may say I have looked for that very thing.

29. Can you find it?—I cannot find it.

Chairman.

30. Within your experience, have you received from Mr. Speaker a warrant to make out a writ for the election of two Members?—Yes.

31. The same warrant applying to two Members?—Certainly.

32. When such a warrant has been received by you, have you made out a single writ or two writs?—A single writ.

33. I suppose upon that writ would be returned the election of the two Members?—Certainly. I have brought with me the latest specimen of that. It is the case of Ipswich which was referred to a few minutes ago. I have here the warrant and the writ with its return (*producing the same*).

34. Would you put that in?—(*The same was delivered in.*)

35. In the case of the Ipswich election, I see Mr. Speaker's warrant is dated the 7th of April 1886, and requires the Clerk of the Crown to make out a new writ, "for the electing of Members to serve in this present Parliament for the Borough of Ipswich in the room of Henry Wyndham West, Esquire, and Jesse Collings, Esquire, whose election hath been determined to be void"?—I have, of course, many instances of that kind as you would suppose. I think that would result only in cases where elections have been declared void by the Judges.

36. Do you know of any case, except where an election has been declared void upon petition, in which a single warrant has required a writ to be issued for the election of two Members?—I find no case.

Mr. *T. M. Healy.*

37. Can you tell us the manner in which, at a General Election, these writs are issued. What is the form used at a General Election where undoubtedly it is regular to hold two elections at the same time?—At a General Election it is done by an Order by Her Majesty in Council to the Lord Chancellor to issue writs for a General Election, and then the proper writs are issued to every borough and county.

Sir *Charles Dilke.*

38. That is to say, a single writ for two Members

Sir *Charles Dilke*—continued.

Members is issued to a double Member borough?—Yes.

Mr. *T. M. Healy.*

39. Could we see those forms which you describe as "the proper writs"?—Certainly; they are just the same as these.

Chairman.

40. Take the case of a borough like Birmingham, which is divided for Parliamentary purposes into seven different constituencies, is the writ directed to the Mayor of Birmingham a single writ, or are there seven separate writs?—There are seven writs, but they all go to the one returning officer.

41. Still, there are seven writs?—Yes.

42. In the case of Newcastle, which returns two Members, and is not divided into two constituencies, is there a single writ at a general election requiring the Mayor to return two Members?—There is a single writ. In the case of Birmingham I apprehend they are seven separate constituencies.

Mr. *T. M. Healy.*

43. Is it under statute or common law that the Privy Council undertake to decide upon the form of the writ?—They do not decide upon the form of the writ; the form of the writ is laid down by the Ballot Act of 1872.

44. I understood you to tell us that at a particular date, namely, a general election, an Order in Council undertakes to prescribe the issuing of a joint writ?—I do not think I said that; what I intended to say was that when there is a general election an Order in Council directs the Lord Chancellor to issue writs for a general election, and upon that we issue the same writs for every place that we should in the case of any individual elected at a bye-election.

45. With what authority is a joint writ issued in such cases; I mean one writ for two Members?—That is under the Ballot Act.

46. I should like to be referred to the section, if you please?—It is under the statutory form of writs given in the second schedule; it says: "We command you that you do cause election to be made according to law of———Members (*or* a Member)."

47. Is it only in the forms in the Act; is there nothing in the text of the Act itself?—No, but the forms are scheduled to the Act, and are part of the Act.

Chairman.

48. I notice that Section 28 of the Act says: "The schedules to this Act and the notes thereto and directions therein shall be construed and have effect as part of this Act?"—Yes.

Mr. *T. M. Healy.*

49. What was done before the Ballot Act. I presume the Ballot Act only applies since 1872?—Yes.

50. Independently of the Ballot Act, in 1871, for instance, what course would your office have pursued?—I do not think any change was made by the Ballot Act in that respect, but I do not know of my own knowledge.

51. Then you can hardly fall back upon the Ballot Act for your authority, can you?—I think so; the Ballot Act is the authority now, whatever the authority was before 1872.

52. May I ask who was your predecessor in office?—In 1871, I think, Mr. Charles Romilly was the Clerk of the Crown.

53. Is he dead, or is he still living?—He is dead.

54. Are there any officials in the office who could tell us what the practice was before the Ballot Act?—No; but I could ascertain the practice with accuracy if it is desired.

55. I suppose the old writs which were in use before the Ballot Act could be found?—No doubt.

Chairman.

56. Do I understand you to say that you regard the procedure in this matter as resting upon the statutory authority which is to be found in the second Schedule to the Ballot Act of 1872?—Yes.

57. The writs you issue are writs in the form prescribed by that authority?—Yes.

Mr. *T. M. Healy.*

58. Supposing you undertake to issue two writs at the time of a general election, and supposing you conceive, in your view of the law, that you might fairly issue two writs for Leicester at a general election, how could your action be challenged or controlled?—There are penalties under Act of Parliament to which a Clerk of the Crown who does anything wrong is liable.

59. Can you tell us under what Statute the penalties you refer to are imposed?—I think it is the seventh and eighth William the Third, chapter seven.

60. That is an Act before the Ballot Act?—Yes; that Act prescribes the penalties upon the Clerk of the Crown for doing anything he ought not to do, and the Ballot Act appears to describe very clearly what I ought to do, and if I did something different, I presume I should be in peril.

61. The remedy of the public against you is by indictment, I imagine?—I think it is. I think the punishment prescribed in the Act is dismissal from office and a fine of 500*l.*

62. How is your office held?—It is by warrant under the Queen's sign-manual.

Chairman.

63. Just to conclude this part of the matter, I will refer to the form of the writ given in the second Schedule of the Ballot Act, which has this heading: "*Note:*—The forms contained in this Schedule, or forms as nearly resembling the same as circumstances will admit, shall be used in all cases to which they refer and are applicable, and when so used shall be sufficient in law." Then follows the form of writ which is expressed in the plural and alternatively in the singular: "We command you that," "you do cause election to be made," "of Members (or a Member)," and so on?—Yes.

Mr. *T. M. Healy.*

64. Let me take as an illustration Cork, which is a double Member constituency; could you tell us

Mr. *T. M. Healy*—continued.

us what the practice is with regard to a writ for Cork or with regard to any Irish writ; does it depend upon you whether the Clerk of the Crown and Hanaper in Ireland issues two writs or one?—No, he issues the writ.

65. Off his own bat, so to speak?—There is no communication made to him from my office to set him in motion to issue the writ. I think he has the same communication as I do by receiving the Order in Council.

66. You would perhaps be able to obtain for us a form of the writ for Cork both before and since the Act of 1872, and also a return at the same time?—Yes; I would rather that the Clerk of the Crown and Hanaper in Ireland should speak to that himself, but I daresay I could obtain what the honourable Member asks for.

67. He issues the writ and not you, as I understand?—Yes.

68. Is it within his discretion; is he governed by the Ballot Act in the same way?—I think he is; I believe there is a clause in the Ballot Act which makes it apply to Ireland with such and such modifications. I am afraid I have not studied that part of it so carefully as the rest, but I do not think there is anything that makes him any less bound by these forms than I should regard myself as bound by them; that is to say, there is nothing in that part of the Act as to the modification in the case of Ireland which relieves him from the general direction to follow the form in the Schedule of the Act.

69. Is he under the same penalties as you are?—I do not know.

70. Do you know how his appointment is made?—No, but I think it is likely to be similar.

71. Can you tell us whether, apart from the Ballot Act, there is any definition of an election; could you tell us what an election is?—No; I really do not know what an election is.

Mr. *Attorney General.*

72. Taking the case of two Members representing one borough taking office, in which case their original election was valid and not void, but their seats were vacated by their acceptance of office; that happened, did it not, in the case of Birmingham in the year 1880, in the case of Mr. Bright and Mr. Chamberlain?—Yes.

73. And also in the case of Hackney in 1880, with Mr. Fawcett and Mr. Holms?—Yes.

74. On those occasions was there one writ or two writs?—Two writs.

75. That was after the Ballot Act of 1872?—Yes.

76. Can you say whether the rule was that there should be two writs in the case of the vacation of seats for taking office prior to 1872, or whether the rule was that there should be one writ?—I do not know.

77. Most of the constituencies in England, if not all, were double-barrelled constituencies in the old times, and for centuries?—Certainly in the counties that was so, and in large boroughs.

78. At any rate, there were a multitude of double-barrelled constituencies in the country?—Certainly.

79. There must have been instances in which, prior to 1872, seats were vacated by both

Mr. *Attorney General*—continued.

Members accepting office. Can you tell us whether there was any rule as to whether there should be one writ or two writs in a case of that kind prior to 1872?—I do not know; I have not looked into that question. I had always supposed the practice was the same before, but I do not know. I have not looked into it, and my evidence would be worthless on that point at present.

Chairman.

80. I presume those writs would be preserved; how far back would they be preserved?—I am sorry to say I do not know where the writs prior to my own time are kept or how far they go back; I believe they are preserved in the Record Office.

Mr. *T. M. Healy.*

81. Is there any book upon your office which would throw light upon this question?—I am afraid my office has never been thought important enough to be made the subject of such a work.

Mr. *Attorney General.*

82. In recent practice, at all events, there seems to be this difference: that at a general election in these double-barrelled constituencies they have one writ and one return in the case of an avoidance in the case for corrupt practices, but two writs and two returns in the case of a vacation of seats on accepting office?—Yes; if I might be allowed to state what strikes me as the reason of that, it occurs to me that in the case of acceptance of office by the two Members of one constituency there are two separate acts that vacate the individual seats; but in the other case it is that the whole election is pronounced void by the judges; that is to say, it is one act; and that is perhaps the reason why in the latter case there is one writ following the vacating of two seats in the constituency.

Sir *Henry James.*

83. Is it not because the original writ had never been duly fulfilled, and therefore it is the first writ that is returned to?—I daresay.

Chairman.

84. In the case of an avoidance for corrupt practices, the original section is treated as void?—Yes.

Mr. *Attorney General.*

85. There may be an interval, however short, yet appreciable, between the moving of the one writ and the moving of the other?—Yes.

Chairman.

86. In the case of an avoidance for corrupt practices, I take it the technical reason is that the return made to the writ is voided so that you have a writ without a return, and the exigency of that writ has to be fulfilled, and it has to go back for that purpose?—Yes.

Mr. *T. M. Healy.*

87. If that be so, what is done with the old writ; is it cancelled in any way?—The practice is to order a new writ.

88. If

Chairman.

88. If that is the true view the old writ really ought to be sent back, and a new return made to it, but apparently the practice is to order a new writ to be made in such case?—Yes; that is what is done.

Mr. *Attorney General.*

89. Do you think you can find out whether or not there was any different practice prior to the year 1872 as regards the case of vacation of seats by acceptance of office?—Certainly.

Sir *Henry James.*

90. Perhaps you would also search and see whether in cases such as Mr. Attorney General has described of two writs, you can find a case of one return which would probably point to one election?—I think I can undertake to say beforehand that I shall not find it, but I will certainly search for it.

Chairman.

91. It would be most interesting and useful to the Committee to have some specimens of the practice that prevailed before the time of the Ballot Act in these different cases?—I will endeavour to ascertain what the practice was, but I am at a disadvantage in going back before my own time and before the present constitution of the office.

92. At any rate, you might be able to indicate to us where those things are to be found?—I think I shall be able to do that.

93. These writs that you have handed in to-day are made out and returned in regular form, I understand?—Yes.

94. There is no apparent informality either upon the face or upon the back of them?—There is no apparent irregularity; upon receiving the writ with its return from the returning officer a certificate is made out giving the return, which I sign and send to the House of Commons, and that is the authority for the Member taking his seat.

95. That is preserved here, I suppose?—I think it must be somewhere upon the Journals.

Sir *Henry James.*

96. There is nothing in any portion of this writ which you have handed in to-day to show that only one election has been held?—No, certainly not.

97. Does it look as if two had been held?—Yes.

Mr. *T. M. Healy.*

98. You have said that you sign a certificate, which is the authority for each Member taking his seat; that is not the practice at a general election, is it?—No; the authority for persons sitting in the House at a general election is this book, which is called the "Return Book" (*producing the same*). All the names of Members returned at the General Election are entered in this book, and I bring a certified copy of it into the House at the beginning of every Parliament, and then, when there is a bye-election, the name of the new Member is entered in the book, and a certificate brought into the House. It is a species of record; that is kept also under the Act of 7 & 8 Will. 3.

Mr. *T. M. Healy*—continued.

Chairman.

99. That, you say, is a statutory book under the Ballot Act?—It is a statutory book under the old Act.

100. Every return is copied into it?—Yes.

101. At a general election you content yourself with copying the return on the back of the writs into that book?—Yes.

102. You do not make out any certificate to each individual Member that he has been returned?—No.

103. But at a bye-election you do make out such a certificate, I understand?—Yes.

104. Do you send such a certificate to the Member or to the Clerk of the House of Commons?—To the House of Commons.

105. To the Speaker?—I think it is supposed to be delivered to the Speaker; as a matter of fact, it goes to the Private Bill Office.

Mr. *T. M. Healy.*

106. But there is no Speaker elected at the time of a general election?—No.

Chairman.

107. Do you know why there is that difference of practice at a general election as compared with a bye-election?—I think it is a matter of convenience. This book practically forms one enormous certificate containing the names of all the Members who have been returned.

108. Is it in pursuance of any Statute that you make out this certificate at a bye election?—Yes; it has been the practice under the same Statute.

Mr. *T. M. Healy.*

109. Can you give us the reference to the Statute?—Yes; it is Section 5 of Act 7 & 8 Will. 3, c. 7.

Chairman.

110. Have you any other documents you wish to put in?—I have here the documents in the Birmingham case, which was the case of seats vacated on the same day by taking office.

111. Will you put those documents in?—(*The same were delivered in.*)

Mr. *T. M. Healy.*

112. Have you the documents also in the Hackney case here?—No, but I think they were the same in the Hackney case.

Chairman.

113. They were both cases of unopposed elections, were they not?—Yes.

114. I see the date of the warrant in the Birmingham case is the 3rd of May 1880; all the documents which you have put in deal with cases subsequent to the Ballot Act of 1872, do they not?—Yes.

Friday, 29th March 1895.

MEMBERS PRESENT:

Mr. Secretary Asquith.	Mr. John Ellis.
Mr. Attorney General.	Sir Henry James.
Sir James Carmichael.	Mr. MacNeill.
Sir Charles Dilke.	Viscount Wolmer.

MR. SECRETARY ASQUITH, IN THE CHAIR.

Mr. W. H. LEY, re-called; and further Examined.

Chairman.

115. HAVE you examined the Journals of the House of Commons with regard to the point raised at the last meeting of the Committee in reference to cases of double-member constituencies where both seats have been vacated after a General Election?—I have, and I find that where one writ is issued it is always through a void election.

116. Do you find, as the result of your search, that wherever an election has been avoided upon petition a single writ has been issued for both seats?—Yes.

Chairman—continued.

117. And a single return made to the writ?—Yes.

118. In all other cases do you find separate writs have been issued?—Yes.

119. And separate returns made?—Yes.

Sir *Henry James.*

120. Would you hand in a list of the cases which you have referred to giving the reference to the Journals to each case?—I will hand in the list. (*The same was handed in.*)

Sir ISRAEL HART, called in; and Examined.

Chairman.

121. I BELIEVE you were Mayor of Leicester at the time of the election as to which we are inquiring?—Yes.

122. Did you receive the two writs that have been produced before us, requiring the borough to elect Members in the place of Sir James Whitehead and Mr. Picton?—I did; I received them through the postmaster.

123. What steps did you take for the execution of those writs?—I simply communicated with our legal adviser, Mr. Storey, the late town clerk of Leicester. I handed them to Mr. Storey to take the necessary steps. I may say that Mr. Storey is a gentleman who has acted on several occasions in Parliamentary elections for myself, and I had every confidence in him. This was the third or fourth Parliamentary election on which he had acted for me, as mayor, and I had not the slightest doubt of his ability to take the necessary steps.

124. As regards the issuing of the notices and all the formal steps, those would be taken by Mr. Storey, I understand?—Yes.

125. And he would be able to describe them to us?—Yes, no doubt.

126. So far as you were concerned, you left those matters in his hands?—Exactly. I may say that he expressed some surprise at receiving two writs; but the time was so short between the election and the reception of the writs that there was practically no alternative, as we thought, but to go on with the election as we did.

Chairman—continued.

127. Was the question raised by you whether there should be two separate elections or not?—No; we concluded that although there were two writs, the only common-sense view we could take was to have one election; especially as all parties agreed to it.

128. How many candidates were there at the election?—Four.

129. The ballot papers which were issued contained the names of all the four candidates on the same piece of paper, I presume?—Yes. The senior Member for the borough we replaced by the gentleman having the largest number of votes.

130. After the election was held who was at the head of the poll?—Mr. Broadhurst.

131. And who was second?—Mr. Hazell was second.

132. In making out your return to the writ, I understand you returned Mr. Broadhurst in place of the senior outgoing Member?—Exactly. He was adopted by the party months previously to take the place of the senior retiring Member.

133. That, I presume, is rather an incidental circumstance. I understand you to give as your reason

Chairman—continued.

reason why he was returned in place of the senior Member, that he was at the head of the poll?—Yes; my reason was that he was returned at the head of the poll.

134. Who was the senior retiring Member?—Mr. Picton was the senior Member previously; he always headed the poll.

135. Accordingly you returned Mr. Broadhurst in place of Mr. Picton, and you returned Mr. Hazell in place of Sir James Whitehead?—Yes; there was some little uncertainty about that period, because there was a question whether the parties should adopt myself as the candidate; but as I was mayor at the time there was some little difficulty about it. That, however, did not interfere with the matter at all.

Mr. *MacNeill.*

136. I suppose you do not recollect which writ reached you first; whether it was the writ on the vacation of Mr. Picton's seat or the other?—They were both enclosed in one envelope, and the postmaster handed them to me, and I opened them in the presence of the then town clerk.

Sir *Henry James.*

137. I wish you to understand particularly that there is not the slightest suggestion on my part, nor, I think, on the part of any of the Committee, as to the election not being conducted in good faith; but what I want to ask you is this: what connection is there between Mr. Broadhurst being at the head of the poll and Mr. Picton being the senior Member?—Mr. Picton had polled the largest number of votes, and Mr. Broadhurst polled the largest number of votes.

138. That is the connection?—Yes.

139. May I ask you, without putting it invidiously, was Mr. Broadhurst rather the more popular candidate of the two?—As mayor, I took not the slightest part in the election.

140. He polled many more votes, did he not, than Mr. Hazell?—He polled some thousands more votes than Mr. Hazell.

141. And then there were two other candidates?—Yes; Mr. Rolleston, the Conservative candidate, and Mr. Burgess, the candidate of the Independent Labour Party.

142. Supposing you had held two elections, it might have been that Mr. Broadhurst would have been unopposed?—It is impossible to say.

143. No, I do not think you follow my question. It is not impossible to say that he might have been unopposed?—I think he would have been opposed in any circumstances.

144. But still he might have been unopposed, might he not?—He might have been or he might not.

145. If he had been unopposed he would have had no election expenses to pay, excepting those attending an unopposed election?—Quite so.

146. As it was, he was opposed and headed the poll by 2,000 votes more than Mr. Hazell?—He did; but in Leicester, I think, for the most part we have nearly always had contested elections; I do not think we have had any unopposed election.

147. But you would have had one if Mr. Broadhurst had been unopposed?—Yes.

148. As regards the rest of the matters, I understand they are in the knowledge of Mr. Storey?—Yes; Mr. Storey will speak to all the other matters.

Chairman.

149. Is it customary to describe as the senior Member for a borough, not the Member who has represented the borough longest, but the Member who was elected at the head of the poll?—Exactly; that has always been our custom.

Mr. *Attorney General.*

150. You have to give notices when the writ reaches you?—Exactly.

151. And then there is a specific limit of time within which each subsequent step has to be taken?—Yes.

152. It might have been practicable, I believe, to have had two separate elections on subsequent days?—It would have been a very difficult matter indeed.

153. But it would have been just possible, would it not?—If we had had the writs earlier it might have been.

154. In practice it would have been difficult; but would it have involved double expense?—It would have involved the borough in double expense, of course, and, as I thought, unnecessary expense.

155. And double inconvenience?—Yes, double inconvenience in every way.

156. You said there was an agreement between the various parties; what do you mean by that?—There was an understanding that whatever the result of this might be, all parties were perfectly content with the result.

157. There having been a suggestion from a very eminent authority that there was a doubt upon the propriety of this course as a matter of law, everybody agree to be bound by an election on one day, the polling being on one day; was that it?—Yes. I may tell you that I myself and the town clerk took every means to ascertain if we could safely go on with the election. We consulted eminent men on the day of the election. I was in London and saw some eminent counsel upon the point.

158. I only wanted to get out this point; did all the representative electors of the different parties in Leicester agree to be bound by a poll on one day?—I heard them say so in my presence.

Mr. JOHN STOREY, Solicitor, called in; and Examined.

Chairman.

159. WERE you the town clerk of Leicester at the time this election took place?—I was.

160. The mayor has told us that he applied to you for advice, and that you gave him advice with regard to his duty as returning officer?—I did.

Chairman—continued.

161. Perhaps the most convenient method of bringing the matter before us would be for you to tell us what you did?—I have made notes as to the dates, which perhaps I may refer to.

162. Certainly. Will you tell us exactly what you did?—The writs reached Leicester on the night of the 22nd of August. They were expected to arrive on the 22nd or the 23rd; they did, in fact, come on the night of the 22nd. Sir Israel Hart being out of Leicester, the postmaster's chief assistant went to the deputy mayor, Alderman Underwood, and asked him to accept the writs and give a receipt for them. He declined to do so without consulting me. They came to my house at 10 o'clock on Wednesday night with the writ or writs. We did not open the parcel then. I advised the deputy mayor not to accept it. He was prohibited under the Municipal Corporations Act from conducting an election, and if the mayor is unable to conduct the election someone must be appointed by the Council specially for the purpose. I therefore advised the deputy mayor not to accept the writs. I telegraphed to Sir Israel Hart, who was at Ramsgate, and he came home during the night, and arranged to meet me in the morning at 10 or half-past 10. The post office official then came and produced the writs and asked for a receipt for them. Both the writs were dated the same day, and it was necessary for us to give notice of the election that day, the 23rd, or the following day, the 24th. We received them on the morning of the 23rd, and we gave notice of the election on the same day. I had two reasons for that, which I will explain hereafter. We were bound to give the notice either that day or the following day under the Ballot Act. If it was given on the 23rd, the first possible day for the election, that is, for the nomination, would have been the 27th, and the last possible day would have been the 28th. If it was given on the 24th, the first and last possible days would have both been the 28th. The poll must not be more than three clear days after the election, that is, the nomination; and, therefore, if the election was on the 27th, the first possible day for the poll would have been the 28th, and the last possible day the 31st. If the election had been on the 28th, the first possible day for the poll would have been the 29th, and the last possible day the 1st of September, which was a Saturday. I had had interviews with the agent for one of the parties, and in fact with both parties, and we had partly agreed upon the day, assuming, of course, that it fit with the writ or writs. We assumed that the writ or writs would reach Leicester on the 22nd or the 23rd, and the day we fixed for the poll was Wednesday the 29th. I was rather favourable to Thursday or Friday, but we were pressed for Wednesday the 29th. Mr. Rolleston was at Whitby, and I telegraphed to him.

163. At any rate, it was with the consent of all parties that that particular day was fixed for the poll?—Yes.

164. You have told us that you issued the notice?—Yes, on the same day. I was also anxious to give the notice the day we received the writs, because we had refused to take them the night before.

165. Have you got that notice here, and, if so, will you hand it in?—Yes. (*The same was handed in.*)

Chairman—continued.

166. I see the notice says "The Returning Officer of the Borough of Leicester will, on Monday the 27th day of August"..." proceed to the nomination, and, if there is no opposition, to the election, of two Members for the said borough (in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of the Chiltern Hundreds"..." and James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of the Manor of Northstead." May I take it that it was treated in this notice and in all subsequent documents issued by you as a single election?—It was treated as we treat a double election poll at a general election.

167. You say a double election; but it was a double election which was to be held on the same day?—Yes. As soon as I saw the writs I spoke to the mayor, who was at my office at the time, on the subject, and I expressed a little surprise. I rather thought that there would have been one writ, and I mentioned to the mayor the very question of the return. We considered the matter to a certain extent, and I came to the conclusion that the writs being dated the same day and delivered at the same time, and the time being so exceedingly short, there was an indication by Parliament that the elections should be held together.

168. We have heard something about an agreement having been come to between the different parties; was objection taken by anybody, at any stage of the proceedings, to the election for the two seats being held on the same day?—No; it had never been raised in any form till a letter appeared in "The Times" on the morning after the nomination and on the morning before the poll.

169. That was not a letter, I gather, from an elector in Leicester?—No.

170. I understand you to refer to the letter of Sir Henry James. Apart from this benevolent intervention of Sir Henry James, did any elector of Leicester take any objection to the election of the two Members being held on the same day?—No, it had never been raised at all. I had thought of it to the extent I have mentioned. I determined in my own mind how it might be met, and advised the mayor how I thought it might be met. It might not, perhaps, be entirely satisfactory, but I thought it was the best way under the circumstances, and, as I say, I thought we had a clear indication that the elections were intended to be held on the same day.

Sir *Henry James.*

171. The indication being, as I understand, that both the writs came in the same envelope?—Both the writs being dated the same day and the time being so short. As I say, I expected to see one writ and I found two, and I was rather sorry.

Chairman.

172. You proceeded to act upon that view, and held the election for the two seats on the same day?—I said to my clerk, who had had a good deal of experience, as I had had myself, in conducting elections, "Would it be possible to keep these two elections separate, and have them on the same day?" and he said, "I do not think it would be possible;" and I agreed with him that it would not.

Chairman—continued.

173. You thought that the practical difficulties of holding two separate elections on the same day were too great?—I thought they were so great that I would incur whatever risk there was in holding on election. I thought if we attempted to conduct both elections (I mean the polls) on the same day in separate parts of the rooms (polling stations) there would be a break-down.

174. Accordingly there was a single nomination in which four candidates were nominated?—Yes, we had a general nomination paper, nominating so-and-so candidate for the borough.

175. And the ballot paper printed with the four names?—Yes.

176. I presume the names were in alphabetical order; there was nothing to distinguish which candidate was in place of which out-going Member?—No, we did not attempt that in any way.

177. Did you advise the mayor in regard to making out the return, as to the way in which the two elected Members should be returned in the place of the out-going Members?—Yes, I took another opinion besides my own, and, as my own opinion was confirmed, we adopted the course I had decided upon. The mayor, I may say, had some hesitation as to whether there might be a special endorsement, or what he ought to do, and he took advice; and the course that was adopted was the result of my advice and other advice.

Mr. *Attorney General.*

178. Have you thought out this question, which has occurred to me, and which I have not been able to solve, or rather I have only been able to solve it in one way: Whether, under the method of the election to both seats taking place at the same time, it was possible for any elector to be prevented from voting for whom he liked?—It was impossible; he had his ballot paper and the four names upon it.

179. As regards the practical conduct of the election, did you perceive any way in which an elector would be prevented from voting for whom he pleased, or in which any difference would arise, where there was one ballot paper or two ballot papers?—No, I think we unquestionably ascertained the sense of the constituency.

180. The practical difficulty seems to have arisen in filling up the returns?—That was the difficulty I foresaw as soon as I saw the two writs.

181. That you would have to appropriate to each writ one Member without having any particular direction?—Yes, I mentioned it more than once before the letter which I have referred to appeared in "The Times," and I reasoned with myself to try and find a technical way of meeting the difficulty; and the best way I could devise was to return the candidate receiving the largest number of votes in the place of the senior Member. I had occasion to consider that question, and I had considered it, in this way: that Mr. Picton was elected in the place of the late Mr. Taylor to sit with Mr. M'Arthur; Mr. M'Arthur had been in Parliament some 14 or 15 years, and Mr. Picton only three or four years; Mr. Picton then became junior Member with Mr. M'Arthur. In 1886 there

Mr. *Attorney General*—continued.

was a General Election, and Mr. Picton was then placed at the head of the poll, Mr. M'Arthur receiving a smaller number of votes, and from that time Mr. Picton was designated senior Member, I believe, in Parliament, and certainly in Leicester, and, in fact, Mr. Picton told me himself that he was senior Member. I remember I had occasion to ask the question, because I had to give the names of the Leicester Members to be put on a Bill as the Members promoting it at the time; and from that time onwards, in communicating with Parliamentary agents, I always returned the name of Mr. Picton as the senior Member, and Mr. M'Arthur as the junior Member, although Mr. M'Arthur had sat in Parliament some years longer.

182. Have you made inquiry about the precedents in this matter; do you know of any case in which two Members vacating their seats at the same time during the sitting of Parliament, because they have accepted office, have had to undergo a contested election?—I do not intend for a moment to say that I went into this matter before I advised the mayor to issue the notice, to the same extent as I have done since; but we have since searched for precedents, and we do not find any in the case of a contested election.

Mr. *John Ellis.*

183. You have been for many years town clerk for Leicester, have you not?—Yes, for 20 years. I was elected town clerk in September 1874, and I continued town clerk till the 29th of October 1894.

184. You have been personally concerned in a large number of contested elections?—I saw the first ballot election at Pontefract, and I have been conducting elections ever since with full responsibility.

185. Is there any suggestion that in this case there was any variation in the ordinary procedure such as you believed to be correct and have always advised and carried out?—We acted in good faith throughout.

Sir *Henry James.*

186. You said you expected to receive one writ, and that you were astonished at receiving two; what was that expectation based upon?—It was based on what I learned as a resident in Leicester; not from what I had learned in my official capacity.

187. Why did you expect to receive only one writ for two seats?—Because Mr. Picton had been in bad health for some considerable time, and he had intimated to his constituents his intention to retire; that knowledge was public property; I knew it as a member of the public. But ultimately it was arranged that he should continue his seat during the present Parliament. Then, about the middle of August 1894, we had an announcement one morning that Sir James Whitehead was unwell, and that he had determined to take the Chiltern Hundreds, or to retire from Parliament, and that the two elections would take place at once.

188. You mean it was based on private information?—No, not private information; it was general information.

189. You said you expected to find one writ

Sir *Henry James*—continued.

and you found two; what I want to know is why you expected to find one writ to elect two people?—Because one of the Members had decided to retire, and he held back his intention to retire until the other Member decided to retire, and I assumed that they were retiring on the same day in order to avoid double elections.

190. Did you consider that you were bound to hold one election, or did you think it was left in your discretion?—When I saw the two writs I saw the difficulty of the question as to endorsement, and I said to the mayor and to my clerk, and to myself: "How is this to be met?" I regarded it as something rather technical. I considered that it would be almost impossible to keep the two elections separate.

191. Did you consider that you had any discretion in the matter according to convenience, or that you were bound under the circumstances to hold one election?—If I had not thought I was acting legally I should not have done as I did.

192. As I have said before, it is not a question of good faith in the least; but what I want to know is, did you feel that you were bound legally to hold one election, or did you consider that it was within your discretion to hold two if you liked?—I thought it was in the discretion of the mayor to hold one election.

193. Or to hold two?—I saw great difficulties in holding two, and I saw no difficulties in holding one, and I decided to go for the one election.

194. No one doubts about the convenience of it; but what I want to know is, did you come to the conclusion that you could by law only hold the one election, or did you come to the conclusion that it was left to you to take into consideration which was the more convenient course?—I did not go more deeply into it than I have already stated to the Committee.

195. But did you feel that you were bound to hold one election, or that you could do as you liked?—I felt we were entitled to do as we did.

196. Of course; we have already given you credit for that. But my point is this: you advised the mayor and discussed the subject with him; did you tell him that he was bound to hold one election, or that he could exercise his discretion and hold one election or two elections according as he liked?—I told the mayor that there would be great difficulties in separating them, and that I thought we had beter hold one.

197. Let me put it in this way: supposing there had been no difficulties, did you feel that you could, if you had liked, have held two elections. There were two writs; did you think you would have disobeyed those writs by having two elections?—No; I do not think I should.

198. Mr. Broadhurst and Mr. Hazell were candidates entertaining similar political opinions?—Yes.

199. Did they become joint-candidates under the Corrupt Practices Act?—Yes, and they were represented by the same agent, Mr. Thomas Smith.

200. Did they have the same committee rooms?—Yes, they acted together.

Sir *Henry James*—continued.

201. By virtue of there being one election, they could become joint-candidates?—Yes.

202. Of course, you know, in consequence of that, the proportion of the expenditure under the Act of 1883 is different?—Yes, of course. I did not go into the expenses in that aspect of it; the only consideration for me was the amount of money that had to be taken from each of the candidates. I had only to do with the election expenses necessary to conduct the election and take the poll.

203. You say they had joint committee rooms, and a joint agent, and joint canvassers, I presume?—Yes, they were acting together.

204. If there had been two elections, that could not have been so?—No; but if there had been two elections, I should have asked for 1,200*l.* from the candidates, instead of 600*l.*

Chairman.

205. So that this is really a much less costly arrangement to the candidate?—Yes.

Sir *Henry James.*

206. That is presuming that both the separate elections had been contested?—Yes.

207. Have you got the papers showing the candidates' expenses?—No, I have not brought the expenses as returned by the candidates; I have only the mayor's expenses.

208. That is his expenses as returning officer?—Yes.

209. Have you got a summary of what was returned by both candidates?—No, I have not. I took 600*l.* from them, and I returned each candidate 54*l.* 18*s.* 8d. Each candidate deposited 150*l.*

Mr. *MacNeill.*

210. Do you ever remember an uncontested election in Leicester during the 20 years you have been town clerk there?—There was no contest at the last general election; Mr. Picton and Sir James Whitehead were returned unopposed.

211. Was that the only one in the 20 years?—Yes. In 1886 Mr. Picton, Mr. McArthur, and Mr. Bickersteth were the candidates.

Sir *Henry James.*

212. Besides the two successful candidates, there was a Unionist candidate and a representative of Labour?—Yes; a representative of the Independent Labour Party, and Mr. Rolleston who had been before the constituency for some months.

Chairman.

213. Were both the Conservative and the Labour candidates already before the constituency as probable candidates at the time these writs were received?—I think they would be. I had not seen Mr. Burgess at the time of the nomination.

214. Had he been announced before these writs were received as an intending candidate?—I think he came down in pursuance of an intimation that there was going to be an election at Leicester immediately. There was some doubt whether he would stand.

215. Before

Sir *Charles Dilke.*

215. Before the retirement of Sir James Whitehead was announced, Mr. Burgess had announced himself as an intending candidate for Leicester, had he not?—I rather think so. I am not sure.

Chairman.

216. And Mr. Rolleston had been before the constituency for some time?—Yes; for a year or two.

217. So that in point of fact it was a matter of common knowledge, before these writs were received, that there were two candidates, as well as whoever might be selected by the Liberal party?—We were perfectly satisfied that there would be a poll.

218. For both seats?—Yes.

219. You say that, I presume, in view of the fact that Leicester is a double-member constituency, and there were two candidates before the constituency in addition to whoever might be selected by the Liberal party to fill the place of the outgoing Members?—Yes; who were retiring at the same moment.

Sir *Charles Dilke.*

220. The Independent Labour candidate, Mr. Burgess, had not been announced as a candidate for a general election, had he, but only for a bye-election?—I do not know. I had not seen him or his representative at the time we issued the notice. I saw his agent for the first time on the Saturday, the nomination being on the Monday, as to the amount of money to be paid.

Sir *Henry James.*

221. I should like you, if you can, to tell us the number of votes recorded at the poll?—Yes. I have the numbers as declared by the returning officer in this notice which I will hand in (*handing in the same*). The number of votes recorded for Mr. Broadhurst was 9,464; for Mr. Hazell, who comes next in number, 7,184; for Mr. Rolleston, 6,967; and for Mr. Burgess, 4,402.

222. I gather from those figures that it was known that, to use language you must be familiar with, Mr. Broadhurst was the stronger candidate of the two?—Yes, I think he was.

Sir *Henry James*—continued.

223. If there had been two elections either of the other candidates would have had a better chance of beating Mr. Hazell than they had of beating Mr. Broadhurst?—Yes, but there was no means of getting any information between the time they would have to be nominated for the one seat or the other; they must be nominated the same day or the day after.

224. Either Mr. Rolleston, the Unionist, or Mr. Burgess, the Labour Candidate, would have had more chance of defeating Mr. Hazell than they had of defeating Mr. Broadhurst; that is apparent, is it not, from the figures?—Mr. Rolleston came remarkably near.

225. But the question is as between Mr. Hazell and Mr. Broadhurst; Mr. Broadhurst was the stronger candidate and more difficult to beat, was he not?—Yes. I may say there had been more doubt as to who should be the second candidate. Sir Israel Hart was regarded as a likely candidate at one time.

Mr. *Attorney General.*

226. If I understand Sir Henry James' question, it imports this: that if Mr. Broadhurst had been returned unopposed at one election, then Mr. Hazell might have been put to fight two men at the same time, Mr. Burgess and Mr. Rolleston, and might possibly have got the worst of it in that way?—Those are considerations which I think a returning officer ought not to enter into.

Mr. *John Ellis.*

227. I suppose you know nothing whatever, as Town Clerk, of the politics of the persons concerned?—I have never taken any part in the elections; I have never given a vote.

Sir *Henry James.*

228. Whilst Mr. Broadhurst and Mr. Hazell were joint candidates, Mr. Rolleston and Mr. Burgess were not?—Quite so. I have an analysis of the voting here if the Committee would wish to have it. I think there was some cross-voting. There was a large poll; a better poll than in 1886.

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APPENDIX.

APPENDIX, No. 1.

PAPERS handed in by Mr. *Kenneth Muir Mackenzie*, C.B., 22 March 1895.

206.

18

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of Sir James Whitehead, Baronet, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Manor of Northstead, in the County of York, for which this shall be your sufficient Warrant.

Given under my hand this twenty-second day of August 1894,

Arthur W. Peel, Speaker.

To the Clerk of the Crown in Chancery.

205.

18

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Leicester, in the room of James Allanson Picton, Esquire, who since his election for the said Borough hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in the County of Buckingham, for which this shall be your sufficient Warrant.

Given under my hand this twenty-second day of August 1894,

Arthur W. Peel, Speaker.

To the Clerk of the Crown in Chancery.

72.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause election to be made according to law of a Member to serve in Parliament for the said Borough, in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of our Three Chiltern Hundreds of Stoke, Desborough, and Bonenham, in our County of Buckingham, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the twenty-second day of August, in the fifty-eighth year of our reign, and in the year of our Lord 1894.

Muir Mackenzie.

L.S.

To the Mayor of the Borough of Leicester.

A Writ of a new election of a Member for the said Borough.

Muir Mackenzie.

Crown Office in Chancery, Palace of Westminster.

Received the within Writ on the twenty-third day of August 1894.

Israel Hart, Mayor.

I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within written Writ, is Henry Broadhurst, of Overstrand, Cromer, Norfolk, Stonemason.

Israel Hart, Mayor of the Borough of Leicester.

Crown Office Seal.

Received 31st August 1894, 4.10 p.m.,

J. W. L.

73.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Leicester, greeting. We command you that notice of the time and place of election being first duly given, you do cause election to be made according to law of a Member to serve in Parliament for the said Borough, in the place of Sir James Whitehead, Baronet, who has accepted the office of Steward or Bailiff of our manor of Northstead, in our County of York, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the twenty-second day of August, in the fifty-eighth year of our reign, and in the year of our Lord 1894,

Muir Mackenzie.

L.S.

To the Mayor of the Borough of Leicester.

A Writ of a new election of a Member for the said Borough.

Muir Mackenzie.

Crown Office in Chancery, Palace of Westminster.

Received the within Writ on the twenty-third day of August 1894.

Israel Hart, Mayor.

I hereby certify that the Member elected for the Borough of Leicester, in pursuance of the within written Writ, is Walter Hazell, of 15, Russell Square, London, Printer and Publisher

Israel Hart, Mayor of the Borough of Leicester.

Crown Office Seal.

Received 31st August 1894, 4.10 p.m.,

J. W. L.

30.

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of Members to serve in this present Parliament for the Borough of Ipswich in the room of Henry Wyndham West, Esquire, and Jesse Collings, Esquire, whose election hath been determined to be void, for which this shall be your sufficient Warrant.

Given under my hand this seventh day of April 1886,

Arthur W. Peel, Speaker.

To the Clerk of the Crown in Chancery.

35.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Ipswich, greeting. We command you that notice of the time and place of election being first duly given you do cause election to be made according to law of two Members to serve in Parliament for the said Borough in the place of Henry Wyndham West and Jesse Collings, Esquires, whose election has been determined to be void, and that you do cause the names of such Members when so elected, whether they be present or absent, to be certified to us in our Chancery without delay.

Witness ourself, at Westminster the seventh day of April, in the forty-ninth year of our reign, and in the year of our Lord 1886,

Muir Mackenzie.

L.S.

To the Mayor of the Borough of Ipswich.

A Writ of a new election of two Members for the Borough of Ipswich.

Muir Mackenzie.

Crown Office in Chancery, Palace of Westminster.

Received the within Writ on the seventh day of April 1886,

B. P. Grimsey, Mayor of Ipswich.

I hereby certify that the Members elected for the Borough of Ipswich, in pursuance of the within written Writ, are Charles Dalrymple, of 5, Onslow Houses, Onslow Gardens, London, Esquire, and Hugo Richard Charteris, commonly known as Lord Elcho, Stanway, Gloucester, Justice of the Peace.

B. P. Grimsey, Mayor of Ipswich.

Crown Office Seal.

16th April 1886.

9.

die 187

By virtue of an Order of the House of Commons this day made, these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Birmingham, in the room of the Right Honourable Joseph Chamberlain, who since his election for the said Borough hath accepted the office of President of the Committee of the Privy Council for Trade and Plantations, for which this shall be your sufficient Warrant.

Given under my hand this third day of May 1880.

H. Brand, Speaker.

To the Clerk of the Crown in Chancery.

10.

die 187

By virtue of an Order of the House of Commons this day made these are to require you to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough of Birmingham in the room of the Right Honourable John Bright, who since his election for the said Borough hath accepted the office of Chancellor of the Duchy and County Palatine of Lancaster, for which this shall be your sufficient Warrant.

Given under my hand this third day of May 1880,

H. Brand, Speaker.

To the Clerk of the Crown in Chancery.

4.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Birmingham, greeting. We command you that notice of the time and place of election being first duly given you do cause election to be made according to law of a Member to serve in Parliament for the said Borough in the place of the Right Honourable John Bright, who has accepted the office of Chancellor of the Duchy and County Palatine of Lancaster, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the third day of May, in the forty-third year of our reign, and in the year of our Lord 1880.

C. Romilly.

To the Mayor of the Borough of Birmingham.

L. S.

A Writ of a new Election of a Member for the said Borough.

C. Romilly.

Received the within Writ on the 4th day of May 1880.

Rich. Chamberlain, Mayor, Returning Officer.

I hereby certify that the Member elected for the Borough of Birmingham in pursuance of the within written Writ, is the Right Honourable John Bright, of One Ash, Rochdale, Chancellor of the Duchy of Lancaster.

7th May 1880.

Rich. Chamberlain, Mayor, Returning Officer.

Received in Crown Office, 8 May 1880,
J. Z.

5.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to the Mayor of the Borough of Birmingham, greeting. We command you that notice of the time and place of election being first duly given you do cause election to be made according to law of a Member to serve in Parliament for the said Borough in the place of the Right Honourable Joseph Chamberlain, who has accepted the office of President of the Committee of the Privy Council for Trade and Plantations, and that you do cause the name of such Member when so elected, whether he be present or absent, to be certified to us in our Chancery without delay.

Witness ourself at Westminster, the third day of May, in the forty-third year of our reign, and in the year of our Lord 1880.

C. Romilly.

To the Mayor of the Borough of Birmingham.

L. S.

A Writ of a new Election of a Member for the said Borough.

C. Romilly.

Received the within Writ on the 4th day of May 1880,

Rich. Chamberlain, Mayor, Returning Officer.

I hereby certify that the Member elected for the Borough of Birmingham, in pursuance of the within written Writ, is the Right Honourable Joseph Chamberlain, of Southbourne, Augustus Road, Birmingham, President of the Board of Trade.

7th May 1880.

Rich. Chamberlain, Mayor, Returning Officer.

Received in Crown Office, 8th May 1880,
J. Z.

APPENDIX, No. 2.

PAPERS handed in by Mr. *John Storey*, 29 March 1895.

BOROUGH OF LEICESTER.—PARLIAMENTARY ELECTION, 1894.

THE Returning Officer of the Borough of Leicester will, on Monday, the Twenty-seventh day of August 1894, between the hours of Ten o'clock in the forenoon and Twelve o'clock at noon, proceed to the Nomination, and, if there is no opposition, to the Election of Two Members for the said Borough (in the place of James Allanson Picton, Esquire, who has accepted the office of Steward or Bailiff of the Chiltern Hundreds of Stoke Desborough and Bonenham, and James Whitehead, Baronet, who has accepted the office of Stewart or Bailiff of the Manor of Northstead), in the Crown Court, at the Town Hall, in the said Borough.

Forms of Nomination Paper may be obtained at the Town Clerk's Office, Town Hall, Leicester, between the hours of Eleven o'clock in the forenoon and One o'clock in the afternoon on Friday and Saturday, the 24th and 25th days of August instant, and during the time appointed for the Election, on the said Twenty-seventh day of August instant.

Every Nomination Paper must be signed by two registered Electors as Proposer or Seconder, and by eight other registered Electors as assenting to the nomination.

Every Nomination Paper must be delivered to the Returning Officer by the Candidate proposed, or by his Proposer and Seconder between the said hours of Ten o'clock in the forenoon and Twelve o'clock at noon, on the said Twenty-seventh day of August 1894, at the said Town Hall.

Each Candidate nominated, and his Proposer and Seconder, and one other person selected by the Candidate, and no other persons are entitled to be admitted to the room.

In the event of the Election being contested, the Poll will take place on Wednesday, the Twenty-ninth day of August 1894.

Israel Hart,
Mayor.

Town Hall, Leicester,
Twenty-third day of August 1894.

Take Notice, that all persons who are guilty of Bribery, Treating, Undue Influence, Personation, or other Corrupt Practices, or any Illegal Practice, at the said Election, will, on conviction of such offence, be liable to the Penalties mentioned in that behalf in "The Corrupt Practices Prevention Act, 1854," "The Corrupt and Illegal Practices Prevention Act, 1883," and the Ballot Act, 1872, and the Acts amending the said Acts. And also,—

Take Notice, that by the Parliamentary Elections (Returning Officers) Act, 1875, it is provided that every person having any claim against a Returning Officer for work, labour, material, services, or expenses in respect of any Contract made with him, by or on behalf of the Returning Officer, for the purpose of an Election (except for publications of Account of Election Expenses), shall within Fourteen days after the day on which the return is made of the Person or Persons elected at the Election, transmit to the Returning Officer the detailed particulars of such claim, in writing, and the Returning Officer shall not be liable in respect of anything which is not duly stated in such particulars.

BOROUGH OF LEICESTER.—PARLIAMENTARY ELECTION, 1894.

I, the undersigned Israel Hart, Mayor and Returning Officer of the Borough of Leicester, at the Election of Two Members to serve in Parliament for the said Borough, held on Wednesday, the Twenty-ninth day of August 1894, do hereby publish that the number of Votes recorded for each Candidate at the said Election is as follows, namely :—

Name of Candidate.	Number of Votes Recorded.
Broadhurst, Henry	9,464
Burgess, Joseph	4,402
Hazell, Walter	7,184
Rolleston, John Fowke Lancelot	6,967

I do hereby declare that Henry Broadhurst, of Overstrand, Cromer, Norfolk, Stonemason, is Elected a Member of Parliament for this Borough.

I also delare that Walter Hazell, of 15, Russell-square, London, Printer and Publisher, is Elected a Member of Parliament for this Borough.

Dated this Twenty-ninth day of August 1894.

Israel Hart,
Mayor and Returning Officer

APPENDIX, No. 3.

PAPER handed in by Mr. *W. H. Ley*, 29 March 1895.

REFERENCES in the Journals of the House of Commons where one Writ was issued for the election of Two Members, in the case of Void Elections.

Com. J., Vol. 124, p. 102, 22nd March 1869, Hereford City.
Com. J., Vol. 129, p. 83. 16th April 1874, Hackney.
Com. J., Vol. 129, p. 133, 7th May 1874, Mayo.
Com. J., Vol. 129, p. 136, 8th May 1874, Stroud.
Com. J., Vol. 129, p. 210, 8th June 1874, Durham County (Northern Division).
Com. J., Vol. 141, p. 148, 7th April 1886, Ipswich.

APPENDIX, No. 4.

PAPER handed in by Mr. *Kenneth Muir Mackenzie*, C.B., 29 March 1895.

Two Writs were issued out of the Crown Office in Ireland, dated respectively the 7th of July 1866, each for electing a knight for the County of Tyrone "in the room of the Right Hon. Henry Thomas Lowry Corry, who has accepted the office of the Vice-President of the Committee of Council for Education," the other writ for "in the room of the Right Hon. Claud Hamilton, commonly called Lord Claud Hamilton, who has accepted the office of Vice-Chamberlain of Her Majesty's Household." The Writs were returned the 20th of July 1866, both members being re-elected and an Indenture returned with each Writ dated respectively the 18th July 1866.

Speaker's Warrant dated the 16th of July 1866. Writ issued same day for electing a knight for the Eastern Division of the County of Suffolk "in the room of John Lord Henniker now Lord Hartismere summoned to the House of Peers." Sheriff returned Writ the 26th of July 1866, and Indenture dated the 25th July 1866 showing Hon. J. M. Henniker-Major elected.

Speaker's Warrant dated the 16th of July 1866. Writ issued same day for electing a knight for the Eastern Division of the County of Suffolk "in the room of Sir FitzRoy Kelly, knight, who has accepted the office of Chief Baron of Her Majesty's Exchequer." Sheriff returned Writ the 26th of July 1866, and Indenture dated 25th of July 1866, showing Sir E. C. Kerrison elected.

VICTORIA by the Grace of God of the United Kingdom of Great Britain and Ireland Queen Defender of the Faith to the Sheriff of the County of the City of Cork greeting Whereas by the advice of Our Council We have ordered a Parliament to be holden at Westminster on the fourth day of August next We command you that notice of the time and place of election being first duly given you do cause election to be made according to law of two Members to serve in Parliament for the said City of Cork and that you do cause the names of such Members when so elected whether they be present or absent to be certified to Us in Our High Court of Justice in Ireland Chancery Division without delay Witness Our Justices General and General Governors of Ireland at Dublin the twenty-ninth day of June in the fifty-sixth year of Our reign and in the year of Our Lord 1892.

J. Nugent Lentaigne,
Clerk of the Crown and Hanaper and Permanent Secretary to the Lord Chancellor of Ireland.

L. S. (Ireland).

To the Sheriff of the County of the City of Cork.
A Writ of a new election of two Members for the said City.

J. Nugent Lentaigne,
Clerk of the Crown and Hanaper and Permanent Secretary to the Lord Chancellor of Ireland.

Received the within Writ at 10 o'clock a.m. this thirtieth day of June 1892.

John Harley Scott,
High Sheriff of the City of Cork.

I hereby certify that the Members elected for the County of the City of Cork in pursuance of the within written Writ are William O'Brien 29 Temple-street in the City of Dublin journalist by 5,273 votes and Maurice Healy of Ashton Lawn Blackrock-road Cork solicitor by 4,759 votes.

John Harley Scott,
Cork 7th July 1892. High Sheriff and Returning Officer.

Received in the Crown and Hanaper Office the 8th day of July 1892. *J. Nugent Lentaigne.*

12th July 1892.

Crown Office Seal.

VICTORIA by the Grace of God of the United Kingdom of Great Britain and Ireland Queen Defender of the Faith to the Sheriff of the County of Cork greeting We command you that notice of the time and place of election being first duly given you do cause election to be made according to law of a Member to serve in Parliament for the South East Cork Division of the said County of Cork in the room of John Morrogh Esquire who since his election for the said County hath accepted the office of Steward or Bailiff of Her Majesty's Three Chiltern Hundreds of Stoke Desborough and Bonenham in the County of Buckingham and that you do cause the name of such Member when so elected whether he be present or absent to be certified to Us in Our High Court of Justice in Ireland Chancery Division without delay Witness Our Justices General and General Governors of Ireland at Dublin the twenty-first day of June in the fifty-seventh year of Our reign and in the year of Our Lord 1893.

J. Nugent Lentaigne,
Clerk of the Crown and Hanaper and Permanent Secretary to the Lord Chancellor of Ireland.

Great Seal (Ireland).

To the Sheriff of the County of Cork.
A Writ of a new election of a Member for the South East Cork Division of the said County.

J. Nugent Lentaigne,
Clerk of the Crown and Hanaper and Permanent Secretary to the Lord Chancellor of Ireland.

Received the within Writ on the 22nd day of June 1893.

Fras. Wm. Woodley, High Sheriff.

I hereby certify that the Member elected for the South East Cork Division of the County of Cork in pursuance of the within written Writ is Andrew Commins of the Grange West Derby Lancashire and Eldon Chambers Liverpool barrister-at-law.

Fras. Wm. Woodley, High Sheriff.

Received in the Crown and Hanaper Office the 29th day of June 1893.

J. Nugent Lentaigne.

30th June 1893.

Crown Office Seal.

VICTORIA by the Grace of God of the United Kingdom of Great Britain and Ireland Queen Defender of the Faith and in the year of Our Lord One thousand eight hundred and sixty-seven to the Sheriff of the County of Cork greeting Whereas George Richard Barry Esquire was lately chosen one of the Knights of the shire for the said County of Cork for Our present Parliament summoned to be holden at Our City of Westminster on Tuesday the fifteenth day of August One thousand eight hundred and sixty-five in the twenty-ninth year of Our reign and from thence by several adjournments and prorogations hath been adjourned and prorogued to and until Tuesday the fifth day of February One thousand eight hundred and sixty-seven on which day Our said Parliament was begun and is there now holden And whereas the said George Richard Barry being so chosen a Knight for the said County as aforesaid has since died as by a Letter of Our Right trusty and well-beloved Councillor John Evelyn Denison Speaker of Our Lower House of Parliament more fully and plainly appears by means whereof Our Subjects of the aforesaid County are deprived of a Knight to treat for the benefit of the same County in Our said Parliament Nevertheless We being unwilling that the Commonalty of Our Kingdom in Our said Parliament assembled to treat of business concerning Us the state and defence of Our said Kingdom and the Church should from the cause aforesaid be lessened or diminished whereby those affairs may not have a due end We therefore command you that in the place of the said George Richard Barry in your full County to be holden after the receipt of this Our Writ one other fit and discreet Knight of the aforesaid County girt with a Sword Proclamation being first made of the premises and of the day and place freely and indifferently by those who shall be present at the proclamation according to the form of the Statute in that case made and provided you cause to be elected and the name of such Knight so to be elected you cause to be inserted in certain Indentures to be thereupon made between you and those who shall be present at such Election (whether at the said Election he shall be present or absent) and to cause him to come to the said Parliament so that the same Knight so to be chosen may have full power and sufficient authority for himself and the Commonalty of the said County to do and consent to those things which in Our Parliament aforesaid by the Common Council of Our said United Kingdom (by the blessing of God) shall happen to be ordained upon the aforesaid affairs Willing nevertheless that neither you nor any other Sheriff of this Our said Kingdom in anywise be elected and the Election so made distinctly and openly under your seal and the seals of those who shall be present at such election Certify you unto Us in Our Chancery of Ireland forthwith remitting to Us one part of the aforesaid Indentures annexed to these presents together with this Our Writ Witness James Marquis of Abercorn Our Lieutenant General and General Governor of Ireland at Dublin the eighth day of February in the thirtieth year of Our reign.

For *Ralph Smith Cusack*,
Clerk of the Crown and Hanaper.

M. J. Brady, Deputy.

To the Sheriff of the County of Cork.

A Writ of Election to Parliament for the election of a Knight of the Shire for the County of Cork in room of George Richard Barry, Esquire, deceased.

For *Ralph Smith Cusack*,
Clerk of the Crown and Hanaper,

M. J. Brady, Deputy.

Received at 11.50 a.m. on this 9th day of February 1867.

A. R. Warren, Sheriff.

Received by post at 10 a.m., 23rd February 1867.
J. R. N.

THIS Indenture made in full County Court at a Special County Court for the County of Cork held at the County Court House Cork in and for the said County of Cork pursuant to the Statute on the twenty-first day of February in the year of Our Lord One thousand eight hundred and sixty-seven and in the thirtieth year of the reign of Our Sovereign Lady Victoria by the Grace of God of the United Kingdom of Great Britain and Ireland Queen Defender of the Faith and so forth Between Augustus Riversdale Warren Baronet Sheriff of the County of Cork aforesaid of the one part and Sampson T. W. French, Henry Barry, David A. Nagle, D. Ronayne Sarsfield, Richard H. Smith Barry, Richard Seymour, Michael Richard O'Farrell, William Shaw, William Garde, William Barry and Henry Wilson, Wm. R. Meade Electors of the County of Cork of the other part Witnesseth that by virtue of Her Majesty's Writ of Election under the Great Seal of Ireland to the said Sheriff of the County of Cork directed and hereunto annexed for electing a fit and discreet Knight of the aforesaid County girt with a Sword as in said Writ is mentioned and to cause him to come to the Parliament named in the said Writ as by said Writ may more fully appear We the said Sheriff and the said several persons and many other Electors of the said County being this day at the County Court House Cork in and for the said County according to the force form and effect of the said Writ and of divers Statutes in that case made and provided have proclamation being first made of the premises and of the day and place according to the said Writ elected Arthur Hugh Smith Barry of Fota Island in the County of Cork aforesaid a fit and discreet Knight of the said County to go to the said Parliament giving and granting to the said Knight full power and sufficient authority for himself and the Commonalty of the aforesaid County to do and consent to those things which in Her Majesty's Parliament aforesaid by the Common Council of the said United Kingdom by the blessing of God shall happen to be ordained upon the affairs in the said Writ specified In testimony whereof as well the hand and seal of Office of the said Sheriff as also the hands and seals of the other parties above named are hereunto set the day and year first above written

Signed sealed and delivered in presence of *J. B. Johnson.*

Sampson T. W. French.	[L. S.]	*Michl. Richd. O'Farrell.*	[L. S.]
Henry Barry.	[L. S.]	*Wm. Shaw.*	[L. S.]
David A. Nagle.	[L. S.]	*William Garde.*	[L. S.]
D. Ronayne Sarsfield.	[L. S.]	*William Barry.*	[L. S.]
W. R. Meade.	[L. S.]	*Henry Wilson.*	[L. S.]
Richd. H. Smith Barry.	[L. S.]	*A. R. Warren.*	[L. S.]
Richard Seymour, P.P.	[L. S.]		

Received in Crown and Hanaper Office this 22nd day of February 1867.
Joseph P. Swan.

REPORT

FROM THE

SELECT COMMITTEE

ON

LEICESTER WRITS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
3 *May* 1895.

[*Price* 3½*d.*]

247. *Under* 4 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

LONDON WATER (TRANSFER) BILLS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX, AND INDEX.

Ordered, by The House of Commons, *to be Printed,*
4 *July* 1895.

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Lambeth Water (Transfer) Bill and Southwark and Vauxhall Water (Transfer) Bill.

Ordered,—[*Friday*, 22*nd February* 1895]:—That the Bill be read a second time, and be *committed* to a Select Committee of Nine Members, Four to be nominated by the House, and Five by the Committee of Selection.

That subject to the Rules, Orders, and Proceedings of this House, all Petitions against the said Bill be referred to the Committee; and such of the Petitioners as pray to be heard by themselves, their Counsel, Agents, or Witnesses, be heard on their Petitions against the Bill, if they think fit, and Counsel heard in support of the said Bill against such Petitions.

That the Committee have power to send for Persons, Papers, and Records.

That Seven be the Quorum of the Committee.

Committee nominated of—

Mr. Baldwin. Mr. Burnie. Mr. Muntz. Mr. Philip Stanhope.	Nominated by the House. [*Monday*, 29*th April* 1895.]
Mr. Billson. Sir James Kitson. Sir H. Stafford Northcote. Mr. David Plunket. Mr. C. H. Wilson (Hull).	Added by the Committee of Selection. [*Tuesday*, 30*th April* 1895.]
Mr. Billson is discharged. Mr. Holland is added to the Committee.	Committee of Selection. [3*rd May* 1895.]
Mr. C. H. Wilson is discharged. Mr. Ainsworth is added to the Committee.	Committee of Selection. [14*th May* 1895.]
Mr. Holland is discharged. Mr. Furness is added to the Committee.	Committee of Selection. [21*st May* 1895.]
Mr. Furness is discharged. Mr. Briggs Priestley is added to the Committee.	Committee of Selection. [28*th May* 1895.]

Ordered,—[*Thursday*, 7*th March* 1895]:—That any of the London Water Companies, presenting a Petition against the Lambeth Water (Transfer) Bill not later than 14th March, praying to be heard by Counsel, Agents, and Witnesses, and the council of any county which includes any part of the Metropolitan water area, presenting a Petition against the Bill not later than 21st March, praying to be heard by Counsel, Agents, and Witnesses, shall be entitled to be heard on such Petition before the Select Committee on the Bill.

That any district council or other local authority for any district wholly or in part within the Metropolitan water area, the London Water Companies jointly, and any other person claiming to be affected by the Bill, presenting a Petition against the Bill not later than 21st March, praying to be heard by Counsel, Agents, and Witnesses, may be heard on such Petition before the Select Committee on the Bill, if and so far as the Committee shall think fit.

Southwark and Vauxhall Water (Transfer) Bill.

Ordered,—[*Friday*, 22*nd February* 1895]:—That the Bill be read a second time, and referred to a Select Committee to consist of Nine Members, Four to be nominated by the House, and Five by the Committee of Selection.

That, subject to the Rules, Orders, and Proceedings of this House, all Petitions against the said Bill be referred to the Committee; and such of the Petitioners as pray to be heard by themselves, their Counsel, Agents, or Witnesses, be heard on their Petitions against the Bill, if they think fit, and Counsel heard in support of the said Bill against such Petitions.

That the Committee have power to send for Persons, Papers, and Records.

That Seven be the Quorum of the Committee.

Ordered,—[*Thursday*, 7*th March* 1895]:—That any of the London Water Companies, presenting a Petition against the Southwark and Vauxhall Water (Transfer) Bill not later than 14th March, praying to be heard by Counsel, Agents, and Witnesses, and the council of any county which includes any part of the Metropolitan water area, presenting a Petition against the Bill not later than 21st March, praying to be heard by Counsel, Agents, and Witnesses, shall be entitled to be heard on such Petition before the Select Committee on the Bill.

That any district council or other local authority for any district wholly or in part within the Metropolitan water area, the London Water Companies jointly, and any other person claiming to be affected by the Bill, presenting a Petition against the Bill not later than 21st March, praying to be heard by Counsel, Agents, and Witnesses, may be heard on such Petition before the Select Committee on the Bill, if and so far as the Committee shall think fit.

Lambeth Water (Transfer) Bill and Southwark and Vauxhall Water (Transfer) Bill.

[*Thursday*, 16*th May* 1895]:—Order (22nd February) that Seven be the Quorum of the Select Committee on the Lambeth Water (Transfer) Bill and the Southwark and Water (Transfer) Bill read, and discharged.

Ordered, That Five be the Quorum of the Committee.

That the Report from the Select Committee on the London Water Commission Bill (1891) and the Report of the Royal Commission on the Water Supply of the Metropolis (1893) be referred to the Select Committee on the Lambeth Water (Transfer) Bill and the Southwark and Vauxhall Water (Transfer) Bill.

Chelsea Water Bill.

Ordered,—[*Monday*, 25*th February* 1895]:—That the Bill be read a second time, and committed.

Ordered,—[*Monday*, 29*th April* 1895]:—That the Bill be committed to the Select Committee on the Lambeth Water (Transfer) Bill, the Southwark and Vauxhall Water (Transfer) Bill, and the Lambeth Water Bill.

That, subject to the Rules, Orders, and Proceedings of this House, all Petitions against the said Bill be referred to the said Committee, and that such of the Petitioners as pray to be heard by themselves, their Counsel, Agents, or Witnesses, be heard upon their Petitions against the Bill, if they think fit, and Counsel heard in support of the said Bill against such Petitions.

Lambeth Water Bill.

Ordered,—[*Tuesday*, 26*th February* 1895]:—That the Bill be read a second time, and committed to the Select Committee on the Lambeth Water (Transfer) Bill.

REPORT.

THE SELECT COMMITTEE on the LAMBETH WATER (TRANSFER) and the SOUTHWARK AND VAUXHALL WATER (TRANSFER) BILLS;——HAVE agreed to the following REPORT:—

THAT in the case of the Lambeth Water (Transfer) Bill, the Committee were of opinion that as it would not be possible to conclude the case before the rising of the House, the consideration of the Bill, which had been partly considered by them, should not be further proceeded with during the present Session.

That in the case of the Southwark and Vauxhall Water (Transfer), Lambeth Water, and Chelsea Water Bills, the Committee were of opinion that the consideration of the said Bills should not be entered upon during the present Session.

4th July 1895.

PROCEEDINGS OF THE COMMITTEE.

Monday, 6th May 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. David Plunket.
Sir James Kitson.
Mr. Philip Stanhope.
Mr. Burnie.
Sir H. Stafford Northcote.
Mr. Holland.

Mr. DAVID PLUNKET was called to the Chair.

[Adjourned till Tuesday, 14th May.

Tuesday, 14th May 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Mr. Baldwin.
Mr. Burnie.
Mr. Muntz.
Mr. Philip Stanhope.
Sir James Kitson.
Sir H. Stafford Northcote.

LAMBETH WATER (TRANSFER) BILL.

Counsel:—Mr. *Balfour Browne*, Q.C., Mr. *Worsley Taylor*, Q.C., Mr. *Freeman*, Mr. *Kemp*, and Mr. *Thesiger*.

Agents:—Messrs. *Dyson & Co.*

Petitions against the Bill read, as follows:—

1. West Kent Main Sewerage Board.

   Counsel:—Reserved.

   Agents:—Messrs. *Baker & Co.*

2. Corporation of Croydon

   Counsel:—Reserved.

   Agents:—Messrs. *Wyatt & Co.*

3. Vestry of St. George, Hanover Square.

   Counsel:—Reserved.

   Agents:—Messrs. *Capron & Co.*

4. Conservators of the River Thames.

   Counsel:—Reserved.

   Agents:—Messrs. *Wyatt & Co.*

5. Southwark and Vauxhall Water Company.

   Counsel:—Mr. *Pope*, Q.C., Mr. *Bidder*, Q.C., and Mr. *Baggallay*.

   Agents:—Messrs. *Wyatt & Co.*

6. Wimbledon

6. Wimbledon Urban District Council.
   Counsel :—Reserved.
   Agents :—Messrs. *Baker & Co.*

7. Surrey County Council.
   Counsel :—Mr. *Coward.*
   Agents :—Messrs. *Sherwood & Co.*

8. Middlesex County Council.
   Counsel :—Lord *R. Cecil.*
   Agents :—Messrs. *Sherwood & Co.*

9. West Middlesex Waterworks Company.
   Counsel :—Mr. *Pember*, Q.C., Mr. *Cripps*, Q.C., and Mr. *Rickards.*
   Agents :—Messrs. *Sherwood & Co.*

10. East London Waterworks Company.
    Counsel :—Mr. *Pember*, Q.C., and Mr. *Cripps*, Q.C.
    Agents :—Messrs. *Bircham & Co.*

11. Grand Junction Waterworks Company.
    Counsel :—Mr. *Pember*, Q.C. and Mr. *Cripps*, Q.C.
    Agents : —Messrs. *Bircham & Co.*

12. Corporation of London.
    Counsel :—Reserved.
    Agent :—Mr. *Goldney.*

13. Kent County Council.
    Counsel :—Mr. *Pember*, Q.C., and Mr. *Clarke Williams.*
    Agents :—Messrs. *Baker & Co.*

14. Lambeth Water Company, Proprietors and Debenture Holders.
    Counsel :—Mr. *Pember*, Q.C., Mr. *Cripps*, Q.C., Mr. *H. A. Rigg*, and Mr. *Rickards.*
    Agents :—Messrs. *Rees and Frere.*

15. Corporation of Kingston-upon-Thames.
    Counsel :—Reserved.
    Agents :—Messrs. *Rees and Frere.*

16. Kent Waterworks Company.
    Counsel :—Mr. *Littler*, Q.C., and Mr. *Coward.*
    Agents :—Messrs. *Martin and Leslie.*

17. Croydon Rural District Council.
    Counsel :—Reserved.
    Agents :—Messrs. *Baker & Co.*

18. Beckenham Urban District Council.
    Counsel :—Mr. *Pember*, Q.C., and Mr. *Clarke Williams.*
    Agents :—Messrs. *Bell & Co.*

19. Essex County Council.
Counsel :—Mr. *C. H. Rickards.*
Agents :—Messrs. *Sherwood & Co.*

20. New River Company.
Counsel :—Mr. *Pope*, Q.C., Mr. *Bidder*, Q.C., Mr. *Littler*, Q.C., and Mr. *Baggallay.*
Agents :—Messrs. *Rees and Frere.*

21. Chelsea Waterworks Company.
Counsel :—Sir *W. Marriott*, Q.C., and Mr. *Baggallay.*
Agents :—Messrs. *Rees and Frere.*

22. Vestry of St. Marylebone.
Counsel :—Reserved.
Agents :—Messrs. *Sherwood & Co.*

23. Wandsworth District Board of Works.
Counsel :—Mr. *J. D. Fitzgerald.*
Agents :—Messrs. *Young and Son.*

24. Woodford Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *R. Martin & Co.*

25. Erith Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

26. Barking Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

27. Bromley Rural District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

28. East Ham Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

29. Sevenoaks Rural District Council.
Counsel : Reserved.
Agents :—Messrs. *Baker & Co.*

30. Dartford Rural District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

31. Wanstead Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

32. Corporation of West Ham.
Counsel :—Mr. *Morton.*
Agents :—Messrs. *Hilleary & Co.*

33. Hornsey Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Tatham & Co.*

34. Acton Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Batten & Co.*

35. Waltham Holy Cross Urban District Council.
Counsel :—Mr. *J. W. Batten.*
Agents :—Messrs. *Robbins & Co.*

36. Walthamstow Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

37. Hertfordshire County Council.
Counsel :—Lord *Robert Cecil.*
Agents :—Messrs. *Baker & Co.*

38. Buckhurst Hill District Council.

39. Maple & Co. ; Shoolbred & Co.

40. Junior Constitutional Club.

41. Merton Parish Council.

No parties appeared in support of the above Petitions.

SOUTHWARK AND VAUXHALL WATER (TRANSFER) BILL.

Counsel :—Mr. *Balfour Browne*, Q.C., Mr. *Worsley Taylor*, Q.C., Mr. *Freeman*, Mr. *Kemp*, and Mr. *Thesiger.*
Agents :—Messrs. *Dyson & Co.*

Petitions against the Bill read as follows :—

1. Vestry of St. George's, Hanover-square.
Counsel :—Reserved.
Agents :—Messrs. *Capron & Co.*

2. Conservators of River Thames.
Counsel :—Reserved.
Agents :—Messrs. *Wyatt & Co.*

3. Wimbledon Urban District Council.
Counsel :—Reserved.
Agents :—Messrs. *Baker & Co.*

4. Surrey County Council.
   Counsel:—Mr. *Coward.*
   Agents:—Messrs. *Sherwood & Co.*

5. Middlesex County Council.
   Counsel:—Lord *Robert Cecil.*
   Agents:—Messrs. *Sherwood & Co.*

6. West Middlesex Waterworks Company.
   Counsel:—Mr. *Pember,* Q.C., Mr. *Cripps,* Q.C., and Mr. *Rickards.*
   Agents:—Messrs. *Sherwood & Co.*

7. East London Waterworks Company.
   Counsel:—Mr. *Pember,* Q.C., and Mr. *Cripps,* Q.C.
   Agents:—Messrs. *Bircham & Co.*

8. Grand Junction Waterworks Company.
   Counsel:—Mr. *Pember,* Q.C., and Mr. *Cripps,* Q.C.
   Agents:—Messrs. *Bircham & Co.*

9. Corporation of London.
   Counsel:—Reserved.
   Agents:—Messrs. *Goldney & Co.*

10. Southwark and Vauxhall Waterworks Company and Debenture holders.
    Counsel:—Mr. *Pope,* Q.C., Mr. *Bidder,* Q.C., and Mr. *Baggallay.*
    Agents:—Messrs. *Wyatt & Co.*

11. Hornsey Urban District Council.
    Counsel:—Reserved.
    Agents:—Messrs. *Tatham & Co.*

12. Acton Urban District Council.
    Counsel:—Reserved.
    Agents:—Messrs. *Batten & Co.*

13. Waltham Holy Cross Urban District Council.
    Counsel:—Mr. *J. W. Batten.*
    Agents:—Messrs. *Robbins, Billing & Co.*

14. Walthamstow Urban District Council.
    Counsel:—Reserved.
    Agents:—Messrs. *Baker & Co.*

15. Hertfordshire County Council.
    Counsel:—Reserved.
    Agents:—Messrs. *Baker & Co.*

16. Officers and Servants of the Southwark and Vauxhall Waterworks Company.
    Counsel:—Reserved.
    Agents:—Messrs. *Wyatt & Co.*

17. Lambeth

17. Lambeth Waterworks Company and Debenture Holders.
Counsel:—Reserved.
Agents:—Messrs. *Rees and Frere.*

18. Corporation of Richmond, Surrey.
Counsel:—Reserved.
Agents:—Messrs. *Ball & Co.*

19. Kent Waterworks Company.
Counsel:—Mr. *Littler*, Q.C., and Mr. *Coward.*
Agents:—Messrs. *Martin and Leslie.*

20. Essex County Council.
Counsel:—Mr. *C. H. Rickards.*
Agents:—Messrs. *Sherwood & Co.*

21. New River Company.
Counsel:—Mr. *Pope*, Q.C., Mr. *Bidder*, Q.C., Mr. *Littler*, Q.C., and Mr. *Baggallay.*
Agent:—Messrs. *Rees and Frere.*

22. Chelsea Waterworks Company.
Counsel:—Sir *W. Marriott*, Q.C., and Mr. *Baggallay.*
Agents:—Messrs. *Rees and Frere.*

23. Vestry of St. Marylebone.
Counsel:—Reserved.
Agents:—Messrs. *Sherwood & Co.*

24. Wandsworth District Board of Works.
Counsel:—Mr. *J. D. Fitzgerald.*
Agents:—Messrs. *Young and Son.*

25. Woodford Urban District Council.
Counsel:—Reserved.
Agents:—Messrs. *R. Martin & Co.*

26. Dartford Urban District Council.
Counsel:—Reserved.
Agents:—Messrs. *Baker & Co.*

27. Erith Urban District Council.
Counsel:—Reserved.
Agents:—Messrs. *Baker & Co.*

28. Bromley Rural District Council.
Counsel:—Reserved.
Agents:—Messrs. *Baker & Co.*

29. Wanstead Urban District Council.
Counsel:—Reserved.
Agents:—Messrs. *Baker & Co.*

30. East Ham Urban District Council.
    Counsel :—Reserved.
    Agents :—Messrs. *Baker & Co.*

31. Sevenoaks Rural District Council.
    Counsel :—Reserved.
    Agents :—Messrs. *Baker & Co.*

32. Kent County Council.
    Counsel :—Mr. *Pember*, Q.C., and Mr. *Clarke Williams.*
    Agents :—Messrs. *Baker & Co.*

33. Barking Urban District Council.
    Counsel :—Reserved.
    Agents :— Messrs. *Baker & Co.*

34. Corporation of West Ham.
    Counsel :—Reserved.
    Agents :— Messrs. *Hillearys & Co.*

35. Barnes Urban District Council.

36. Buckhurst Hill Urban District Council.
    No parties appeared in support of the above Petitions.

LAMBETH WATER BILL.

Counsel :—Mr. *Pember*, Q.C., Mr. *Cripps*, Q.C., Mr. *H. A. Rigg*, and Mr. *Rickards.*
Agents :—Messrs. *Rees and Frere.*

Petitions against the Bill read as follows :—

1. Corporation of Croydon :—
   Counsel :—Reserved.
   Agents :—Messrs. *Wyatt & Co.*

2. Conservators of River Thames.
   Counsel :—Reserved.
   Agents :—Messrs. *Wyatt & Co.*

3. Corporation of London.
   Counsel :—Reserved.
   Agents :—Messrs. *Goldney & Co.*

4. Surbiton Urban District Council.
   Counsel :—Mr. *Balfour Browne*, Q.C., and Mr. *Baggallqy.*
   Agents :—Messrs. *Baker & Co.*

5. London County Council.
   Counsel :—Reserved.
   Agents :—Messrs. *Cripps & Co.*

6. Lambeth Vestry.
   No parties appeared in support of the above Petition.

CHELSEA WATER BILL.

Counsel:—Mr. *Pember*, Q.C., and Mr. *Rickards*.

Agents:—Messrs. *Rees and Frere*.

Petitions against the Bill read as follows:

1. Conservators of River Thames.

   Counsel:—Reserved.

   Agents:—Messrs. *Wyatt & Co.*

2. Corporation of London.

   Counsel:—Reserved.

   Agents:—Messrs. *Goldney & Co.*

3. Surbiton Urban District Council.

   Counsel:—Reserved.

   Agents:—Messrs. *Baker & Co.*

4. London County Council.

   Counsel:—Reserved.

   Agents:—Messrs. *Cripps & Co.*

5. London and South Western Railway Company.

   No parties appeared in support of the above Petition.

Room cleared.

Committee deliberated.

Parties called in.

LAMBETH WATER (TRANSFER) BILL.

Preamble read the first time.

Mr. *Balfour Browne*, Q.C., was heard in support of the Preamble of the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 15*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Mr. Philip Stanhope.	Sir Stafford Northcote.
Mr. Baldwin.	Mr. Ainsworth.
Mr. Holland.	Mr. Burnie.
Mr. Muntz.	Sir James Kitson.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Balfour Browne*, Q.C., was further heard in support of the Preamble of the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Thursday, 16*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir Stafford Northcote.	Mr. Holland.
Sir James Kitson.	Mr. Philip Stanhope.
Mr. Muntz.	Mr. Ainsworth.
Mr. Baldwin.	Mr. Burnie.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Balfour Browne*, Q.C., was further heard in support of the Preamble of the Bill.

Mr. *Charles Harrison*, sworn and examined.

[Adjourned till To-morrow, at Twelve o'clock.

Friday, 17*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Ainsworth.
Mr. Burnie.	Mr. Baldwin.
Sir Stafford Northcote.	Mr. Muntz.
Mr. Philip Stanhope.	

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Charles Harrison*, further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 21*st May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Baldwin.
Sir H. Stafford Northcote.	Mr. Burnie.
Mr. Ainsworth.	Mr. Philip Stanhope.
Mr. Muntz.	Mr. Holland.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Charles Harrison*, further examined.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 22*nd May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Ainsworth.
Mr. Muntz.	Mr. Philip Stanhope.
Sir H. Stafford Northcote.	Mr. Burnie.
Mr. Baldwin.	

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Charles Harrison*, further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 24*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Ainsworth.
Mr. Baldwin.	Mr. Philip Stanhope.
Sir H. Stafford Northcote.	Mr. Muntz.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Henry Cripps*, sworn and examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 28*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir H. Stafford Northcote.	Mr. Baldwin.
Sir James Kitson.	Mr. Burnie.
Sir Christopher Furness.	Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Henry Cripps*, further examined.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 29*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Priestley.
Mr. Burnie.	Sir H. Stafford Northcote.
Mr. Baldwin.	Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Henry Cripps*, further examined.

[Adjourned till To-morrow, at Half-past Twelve o'clock.

Thursday, 30*th May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir H. Stafford Northcote.	Mr. Priestley.
Sir James Kitson.	Mr. Burnie.
Mr. Baldwin.	Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Henry Cripps*, further examined.

Mr. *Alexander Binnie*, sworn, and examined.

[Adjourned till To-morrow, at Half-past Eleven o'clock.

Friday, 31*st May* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Burnie.
Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Priestley.	

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Fletcher Moulton*, a Member of the House, sworn, and examined.

Room cleared.—The Committee deliberated.

The Committee decided to hear Counsel for the Promoters of the Bill on Clause 6. [Consideration to be paid. Matters affecting determination of value of the undertaking].

Parties called in, and informed thereof.

[Adjourned till Wednesday, 12th June, at Twelve o'clock.

Wednesday, 12*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Priestley.
Mr. Philip Stanhope.	Mr. Baldwin.
Mr. Muntz.	Mr. Burnie.
Sir H. Stafford Northcote.	

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Henry Cripps*, further examined.

Mr. *Balfour Browne*, Q.C., was heard in support of Clause 6.

Room cleared.—The Committee deliberated.

The Committee decided that, if the Bill should become law, the provisions of Clause 6, subsequent to line 31 of the Clause, would not be needed in order to enable the arbitrators to take evidence upon, and have regard to, any or all the matters therein referred to, if in their discretion they should think fit to do so.

Parties called in, and informed thereof.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 14*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Priestley.
Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Muntz.	Mr. Burnie.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Balfour Browne*, Q.C., was heard regarding the decision of the Committee of the 12th instant.

Mr. *Pope*, Q.C., on behalf of the Petition of the Southwark and Vauxhall Water Company, applied for a further adjournment.

Mr. *Littler*, Q.C., on behalf of the Kent Water Company, supported the application.

Mr. *Pember*, Q.C., on behalf of the Lambeth Water Company, also supported the application.

Mr. *Balfour Browne*, Q.C., was heard to agree to an adjournment.

Room cleared.—The Committee deliberated.

The Committee decided to grant the application for an adjournment.

Parties called in, and informed thereof.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 18*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Mr. Philip Stanhope.	Mr. Baldwin.
Mr. Burnie.	Mr. Muntz.
Sir H. Stafford Northcote.	Mr. Priestley.
Sir James Kitson.	Mr. Ainsworth.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Pember*, Q.C., was heard on behalf of the Petition of the Kent County Council.

Sir *John Lubbock*, Bart., a Member of the House, sworn and examined.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 19*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Ainsworth.
Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Burnie.	Mr. Muntz.
Mr. Priestley.	Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Sir *John Lubbock*, Bart., M.P., further examined.

Sir *John Lennard*, Dr. *R. Randell*, Mr. *George Chatterton*, and Mr. *Walter Whittingham*, sworn and examined.

Mr. *H. C. Richards* was heard on behalf of the Petition of the County Council of Essex.

Lord *Robert Cecil* was heard on behalf of the Petitions of the County Council of Middlesex and the County Council of Hertford.

[Adjourned till To-morrow, at a Quarter-past Twelve o'clock.

Thursday, 20th June 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir H. Stafford Northcote.
Mr. Baldwin.
Mr. Muntz.
Mr. Ainsworth.
Mr. Priestley.
Mr. Burnie.
Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Richard Beachcroft*, sworn, and examined.

Mr. *Pope*, Q.C., was heard to apply for an adjournment until after the next meeting of the London County Council, and its adoption of a new Clause to be proposed in the place of Clause 6.

Mr. *Littler*, Q.C., supported the application.

Mr. *Balfour Browne*, Q.C., was heard to oppose the application.

Room cleared.—The Committee deliberated.

The Committee decided to proceed with the cases of the outlying authorities, but to request the Promoters of the Bill to prepare a new Clause in the place of Clause 6, before the meeting of the Committee on Tuesday, 25th instant.

Parties called in, and informed thereof.

[Adjourned till To-morrow, at Twelve o'clock.

Friday, 21st June 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir H. Stafford Northcote.
Mr. Burnie.
Mr. Ainsworth.
Mr. Philip Stanhope.
Mr. Baldwin.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *James Bigwood*, a Member of the House, sworn, and examined.

Mr. *Thomas Fenwick*, Mr. *Walter Austin*, Mr. *George Eachus*, Mr. *Edwin Lovegrove*, Mr. *Daniel Ebbitts*, Sir *John Evans*, and Mr. *John Hopkinson*, sworn, and examined.

Mr. *George Hudson*, a Member of the House, sworn, and examined.

Mr. *Coward* applied to be heard on behalf of the Petition of the Surrey County Council.

Lord *Robert Cecil* opposed the application.

Mr. *Pember*, Q.C., and Mr. *Bidder*, Q.C., also opposed the application.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 25*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Burnie.
Mr. Baldwin.	Mr. Philip Stanhope.
Mr. Muntz.	Sir H. Stafford Northcote.
Mr. Ainsworth.	Mr. Priestley.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Application of Mr. *Coward* granted.

Mr. *Coward* was heard accordingly on behalf of the Petition of the Surrey County Council.

Mr. *Edward Halsey*, sworn, and examined.

Mr. *Batten* was heard on behalf of the Petition of the Waltham Holy Cross Urban District Council.

Dr. *James Priest* and Mr. *William Beck*, sworn, and examined.

Mr. *Morten* was heard on behalf of the Petition of the Corporation of West Ham.

Mr. *Balfour Browne*, Q.C., handed in a new Clause in the place of Clause 6, to carry out the decision of the Committee of the 20th instant.

Mr. *Pope* was heard to apply for an intimation from the Committee as to whether the new Clause carried out the decision of the Committee of the 20th instant.

Mr. *Bidder* was heard to support the application.

Room cleared.—The Committee deliberated.

The Committee decided that speaking generally, with specified exceptions, the new Clause gave effect to their decision.

The Committee also decided not to postpone the Preamble.

Parties called in, and informed thereof.

Mr. *Pember*, Q.C., was heard on behalf of the Petitions of the Lambeth Water Company, the East London Water Company, the Grand Junction Water Company, and the West Middlesex Company.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 26*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Sir H. Stafford Northcote.
Mr. Baldwin.	Mr. Burnie.
Mr. Ainsworth.	Mr. Priestley.
Mr. Muntz.	Mr. Philip Stanhope.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Pember*, Q.C., further heard on behalf of the Petitions of the Lambeth, East London, West Middlesex, and Grand Junction Water Companies.

Mr. *Littler*, Q.C., was heard on behalf of the Petition of the Kent Waterworks Company.

[Adjourned till To-morrow, at a Quarter-past Twelve o'clock.

Thursday, 27*th June* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Sir H. Stafford Northcote.
Mr. Baldwin.	Mr. Priestley.
Mr. Ainsworth.	Mr. Philip Stanhope.
Mr. Burnie.	Mr. Muntz.

LAMBETH WATER (TRANSFER) BILL—*continued.*

Mr. *Littler*, Q.C., was further heard on behalf of the Petition of the Kent Waterworks Company.

Mr. *Balfour Browne*, Q.C., was heard with respect to the new Clause in the place of Clause 6.

Room cleared.—The Committee deliberated.

[Adjourned till Wednesday next, at Twelve o'clock.

Wednesday, 3*rd July* 1895.

MEMBERS PRESENT:

Mr. DAVID PLUNKET in the Chair.

Sir James Kitson.	Mr. Baldwin.
Mr. Burnie.	Sir H. Stafford Northcote.

LAMBETH WATER (TRANSFER) BILL—*continued.*

The Committee agreed to the following Report :—" That in the case of the Lambeth Water (Transfer) Bill, the Committee were of opinion that as it would not be possible to conclude the case before the rising of the House, the consideration of the Bill, which had been partly considered by them, should not be further proceeded with during the present Session."

" That in the case of the Southwark and Vauxhall Water (Transfer), Lambeth Water, and Chelsea Water Bills, the Committee were of opinion that the consideration of the said Bills should not be entered upon during the present Session."

Ordered, To Report.

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Tuesday, 14th May 1895.

MEMBERS PRESENT:

Mr. Baldwin.	Mr. Muntz.
Mr. Burnie.	Sir H. Stafford Northcote.
Mr. Holland.	Mr. David Plunket.
Sir James Kitson.	Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

LAMBETH WATER (TRANSFER) BILL.

The Petition for the Bill was read.

Mr. *Balfour Browne*, Q.C., Mr. *Worsley Taylor*, Q.C., Mr. *Freeman*, Mr. *Kemp*, and the Hon. *F. Thesiger*, appeared as Counsel on behalf of the Promoters of the Bill.

Messrs. *Dyson and Company* appeared as Agents.

The following Petitions against the Bill were read:—

The Petition of the WEST KENT MAIN SEWERAGE BOARD.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the CORPORATION OF CROYDON.

Counsel reserved.

Messrs. *Wyatt and Company* appeared as Agents.

The Petition of the VESTRY OF ST. GEORGE, HANOVER-SQUARE.

Counsel reserved.

Messrs. *Caprons* appeared as Agents.

The Petition of the CONSERVATORS OF THE RIVER THAMES.

Counsel reserved.

Messrs. *Wyatt and Company* appeared as Agents.

The Petition of the SOUTHWARK AND VAUXHALL WATER COMPANY.

Mr. *Pope*, Q.C., Mr. *Bidder*, Q.C., and Mr. *Claude Baggallay*, appeared as Counsel in support of this Petition.

Messrs. *Wyatt and Company* appeared as Agents.

The Petition of the WIMBLEDON URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the SURREY COUNTY COUNCIL.

Mr. *Lewis Coward* appeared as Counsel in support of this Petition.

Messrs. *Sherwood and Company* appeared as Agents.

14 *May* 1895.

The Petition of the MIDDLESEX COUNTY COUNCIL.

Lord *Robert Cecil* appeared as Counsel in support of this Petition.

Messrs. *Sherwood and Company* appeared as Agents.

The Petition of the WEST MIDDLESEX WATERWORKS COMPANY.

Mr. *Pember*, Q.C., Mr. *Cripps*, Q.C., and Mr. *Rickards* appeared as Cousnel in support of this Petition.

Messrs. *Sherwood and Company* appeared as Agents.

The Petition of the EAST LONDON WATERWORKS COMPANY.

Mr. *Pember*, Q.C., and Mr. *Cripps*, Q.C., appeared as Counsel in support of this Petition.

Messrs. *Bircham and Company* appeared as Agents.

The Petition of the GRAND JUNCTION WATERWORKS COMPANY.

Mr. *Pember*, Q.C., and Mr. *Cripps*, Q.C., appeared as Counsel in support of this Petition.

Messrs. *Bircham and Company* appeared as Agents.

The Petition of the CORPORATION OF LONDON.

Counsel reserved.

Mr. *G. Prior Goldney* appeared as Agent.

The Petition of the ADMINISTRATIVE COUNTY OF KENT COUNTY COUNCIL.

Mr. *Pember*, Q.C., and Mr. *Clarke Williams* appeared as Counsel in support of this Petition.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the COMPANY OF PROPRIETORS OF LAMBETH WATERWORKS AND DIVERS HOLDERS OF DEBENTURE STOCK OF THE COMPANY.

Mr. *Pember*, Q.C., Mr. *Cripps*, Q.C., Mr. *Rigg* and Mr. *Rickards* appeared as Counsel in support of this Petition.

Messrs. *Rees and Frere* appeared as Agents.

The Petition of the CORPORATION OF KINGSTON-UPON-THAMES.

Counsel reserved.

Mr. *E. V. Frere* appeared as Agent.

The Petition of the KENT WATERWORKS COMPANY.

Mr. *Littler*, Q.C., and Mr. *Lewis Coward* appeared as Counsel in support of this Petition.

Messrs. *Martin and Leslie* appeared as Agents.

The Petition of the CROYDON RURAL DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the BECKENHAM URBAN DISTRICT COUNCIL.

Mr. *Pember*, Q.C., and Mr. *Clarke Williams* appeared as Counsel in support of this Petition.

Messrs. *W. and W. M. Bell* appeared as Agents.

The Petition of the ESSEX COUNTY COUNCIL.

Mr. *C. H. Richards* appeared as Counsel in support of this Petition.

Messrs. *Sherwood and Company* appeared as Agents.

The Petition of the NEW RIVER COMPANY.

Mr. *Pope*, Q.C., Mr. *Bidder*, Q.C., Mr. *Littler*, Q.C., and Mr. *Claude Baggallay* appeared as Counsel in support of this Petition.

Messrs. *Rees and Frere* appeared as Agents.

The Petition of the GOVERNOR AND COMPANY OF CHELSEA WATERWORKS.

Sir *William Marriott*, Q.C., and Mr. *Claude Baggallay* appeared as Counsel in support of this Petition.

Messrs. *Rees and Frere* appeared as Agents.

The Petition of the VESTRY OF ST. MARYLEBONE.

Counsel reserved.

Messrs. *Sherwood and Company* appeared as Agents.

The Petition of the WANDSWORTH DISTRICT BOARD OF WORKS.

Mr. *J. D. FitzGerald* appeared as Counsel in support of this Petition.

Messrs. *W. W. Young and Son* appeared as Agents.

The Petition of the WOODFORD URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Martin and Leslie* appeared as Agents.

The Petition of the BUCKHURST HILL URBAN DISTRICT COUNCIL.

No Counsel appeared in support of this Petition.

Mr. *Thomas J. Tee* appeared as Agent.

The Petition of Messrs. MAPLE AND COMPANY AND MESSRS. JAMES SHOOLBRED AND COMPANY.

No Counsel appeared in support of this Petition.

Messrs. *Peake, Bird, Collins, and Peake*, appeared as Agents.

The Petition of the ERITH URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the BARKING URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the BROMLEY RURAL DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the EAST HAM URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the SEVENOAKS RURAL DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

14 *May* 1895.

The Petition of the DARTFORD RURAL DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the WANSTEAD URBAN DISTRICT COUNCIL

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the CORPORATION OF WEST HAM.

Counsel reserved.

Messrs. *Hillearys* appeared as Agents.

The Petition of the HORNSEY URBAN DISTRICT COUNCIL.

Counsel reserved.

Mr. *Leonard J. Tatham* appeared as Agent.

The Petition of the JUNIOR CONSTITUTIONAL CLUB.

No Counsel appeared in support of this Petition.

Messrs. *Rose and Johnson* appeared as Agents.

The Petition of the MERTON PARISH COUNCIL.

No Counsel appeared in support of this Petition.

Messrs. *Webbers and Duncan* appeared as Agents.

The Petition of the ACTON URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Batten and Company* appeared as Agents.

The Petition of the ILFORD URBAN DISTRICT COUNCIL.

No Counsel appeared in support of this Petition.

Messrs. *Sherwood and Company* appeared as Agents.

The Petition of the WALTHAM HOLY CROSS URBAN DISTRICT COUNCIL.

Mr. *J. W. Batten* appeared as Counsel in support of this Petition.

Messrs. *Robbins, Billing and Company* appeared as Agents.

The Petition of the WALTHAMSTOW URBAN DISTRICT COUNCIL.

Counsel reserved.

Messrs. *Baker and Company* appeared as Agents.

The Petition of the HERTFORDSHIRE COUNTY COUNCIL.

Lord *Robert Cecil* appeared as Counsel in support of this Petition.

Messrs. *Baker and Company* appeared as Agents.

Mr. *Balfour Browne* was heard to open the case on behalf of the Promoters of the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 15*th May* 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Mr. Holland.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. *Balfour Browne* was heard to resume the opening of the case on behalf of the Promoters of the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Thursday, 16th May 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Mr. Holland.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

The Right Honourable DAVID PLUNKET, in the Chair.

Mr. *Balfour Browne* was heard to resume and conclude the opening of the case on behalf of the Promoters of the Bill.

Mr. CHARLES HARRISON, ~~sworn; and~~ Examined as follows:

Mr. *Freeman.*

1. You are a member of the London County Council, and you have been so, I think, since the formation of the Council in the year 1888?—Yes.

2. From the year 1888 down to March 1895 were you chairman of the Parliamentary Committee?—Yes.

3. I think you were also vice-chairman of the Council from 1892 down to March 1895?—Yes.

4. And you were also a member of the Water Committee during the same period?—Yes, I succeeded Lord Farrer as the vice-chairman.

5. Are you now vice-chairman of the Parliamentary Committee, and are you also chairman of the sub-committee of that Parliamentary Committee which has had the conduct of these Bills specially referred to it?—Yes.

6. I may take it, I suppose, that in all those capacities you have had to give very considerable personal attention to the subject of the water question?—Yes.

7. To get clear the line of evidence, of course the Council have instructed their professional advisers, that is to say, their engineer, their chemist, and their other advisers, to report from time to time upon the various aspects of the question?—Yes, that is so.

8. And, of course, on those special technical points the evidence will be given by those expert officers, and you will only refer generally to results?—Quite so.

9. You will not pledge yourself to the details, of course?—No.

10. I think you mentioned that you succeeded Lord Farrer as chairman of the Water Committee?—No; as vice-chairman of the Council.

11. I want to take you very shortly, to get it once for all on the notes, through the proceedings in the Council in relation to this water question. I think the first meeting of the Council was on the 31st January 1889, was it not?—Yes; the Provisional Council.

12. And almost immediately, I think, the water question came up, did it not?—Yes, immediately.

Mr. *Freeman*—continued.

13. I believed it was even alluded to in the first speech of Lord Rosebery as chairman in opening the proceedings of the Council, was it not?—That was so, on the 21st March.

14. In which I see his Lordship made the somewhat ominous remark that "water is one of those points which has wrecked a powerful Government before now, and may wreck Governments again"?—Yes.

15. I think from the first the Council were fully alive both to the difficulty and complexity of the subject?—Yes, they certainly were.

16. And on the 2nd April 1889 did the Council constitute a special Committee on the London Water Supply?—Yes, they did.

17. Did that Committee at once begin sitting?—Yes, they did.

18. I think in the meantime a Bill had been prepared, had it not, by the Parliamentary Committee to obtain the necessary powers for the Council to spend money in dealing with the matter of the water question?—Yes, there was a doubt on the Act of 1855 which led to the Council, or rather the Board of Works, to spend money for matters of public improvements and other matters affecting the public, and the question had been raised whether that power was sufficient to allow expenditure in the promotion of water Bills.

19. I think, owing to circumstances which we need not go into now, that Bill was not proceeded with?—No, it was dropped.

20. Then in the autumn of 1889 was the subject again taken up, and a resolution of the Council passed: "That the Parliamentary Committee be instructed to prepare and introduce into Parliament a Bill for conferring powers on the Council with respect to the water supply, similar to the Bill of last year?"—Yes, that was so.

21. That Bill was pressed on in view of the fact that a quinquennial re-assessment would follow in the year 1891, was it not?—Yes, that was the year of the quinquennial assessment.

22. I think

Mr. *Freeman*—continued.

22. I think in the same year, 1890, the Corporation of the City of London instituted a public inquiry into the water question, did it not?—Yes, it did; it was conducted by a committee of the corporation.

23. At the same time the Council introduced into their General Powers Bill, Clause 73, as to inquiries as to markets and water supply?—Yes, that was so.

24. That clause was the subject of a good deal of discussion, I think, and was ultimately passed so far as related to water supply?—Yes, it was.

25. And that now appears as the section making it lawful for the Council from time to time to prosecute, and conduct inquiries and negotiations relative to the supply of water, or companies supplying water in or near the county of London?—Yes, it was limited to that.

26. I think the next date is in September 1890; after this General Powers Act had passed into law, the water committee suggested the desirability of some negotiations being opened up with the water companies?—They did.

27. And the Council then resolved, after fully discussing the matter, that the necessary power having been given by Parliament, the special Committee on water supply and markets be authorised to prosecute and conduct inquiries and negotiations relative to the supply of water or companies supplying water in or near London?—Yes.

28. The next thing, I think, are the Parliamentary proceedings of the year 1891?—Yes.

29. During that year Parliamentary proceedings took place which were of great importance in regard to the water question?—Yes.

30. The London Water Commission Bill was, I think, introduced as a private Bill at the commencement of the Session?—Yes, that was one of the private Bills.

31. That was reported upon by the Parliamentary Committee?—Qes.

32. And that Report has been referred to by Mr. Balfour Browne in his opening at considerable length?—Yes.

33. That Report, if necessary, do you produce?—Yes.

Mr. *Freeman.*] May I ask, sir, what would be a general question on this point? Of course every now and then we shall come to reports which obviously are of great importance, not merely to the County Council, but to my learned friends. I would suggest that, when we come to such a Report, it should go upon the Notes at the end of the day's Proceedings, if that commends itself to the Committee.

Chairman.] If the Counsel for the Petitioners are agreeable to that proposal, the Committee have no objection.

Mr. *Freeman.*] Of course, it makes it difficult for everyone to hunt these things up in Mr. Balfour Browne's speech, whereas if, when I come to one I consider of sufficient importance, I mention it, and ask it may be put on the Notes——

Chairman.] I understand there is no objection to that.

Sir *William Marriott.*] No, there is no objection.

Mr. *Freeman.*

34. Then this is one. (To the *Witness*): The Report of the 12th of February 1891, you technically produce, and it will be handed to the shorthand writer (*see* Appendix)?—That is so.

35. Is that the one which was signed by Sir Thomas Farrer, as he then was.

Chairman.] These will be printed along with the Reports of the Proceedings each day.

Mr. *Freeman.*] Yes, sir, in the form of an Appendix at the end of the Proceedings.

Sir *William Marriott.*] I think we ought to have these Reports handed in to us. It is not much use their being handed in at the end of the day, if we have to cross-examine upon to-morrow we should have no chance of seeing them.

Mr. *Freeman.*] You will have this Report by to-morrow morning at 10 o'clock.

Sir *William Marriott.*] Yes, this one, but perhaps not others. If the Promoters will hand us anything they are going to print there will be no objection to it.

Chairman.] I suppose that will be possible?

Mr. *Freeman.*

36. There will not be the least difficulty. If any of my learned friends ask for a proof I will hand it to them. (To the *Witness*): I think in the meantime a public Bill had been introduced, had it not, under the title of the Metropolis Water Supply?—There is a little error. The Report of the 20th of January was a Parliamentary Report, it was signed by me, but it was settled by Lord Farrer, who was a member of the Parliamentary Committee.

37. You were just going to say when you made that correction, I think, that a public Bill under the title of the Metropolis Water Supply had been introduced?—Yes.

38. That Bill, together with the other Bill, was very fully considered by the Parliamentary Committee who drew up the Report which has been just referred to?—Yes.

39. Did that Report lead to a long discussion, which was adjourned to a special meeting?—Yes, it was adjourned to a special meeting on the 13th of March 1891.

40. On the 13th of March 1891, on the resumption of the debate, the recommendations contained in that Report, which has been just referred to, were adopted?—Yes, all our Reports conclude with specific recommendations, and under our Standing Orders those are either adopted, rejected, or amended.

41. That was the Report which very fully went into the question, did it not, of the establishment of a trust or commission on the one hand or the County Council carrying out the duties on the other?—Yes, it dealt very fully with both those questions.

42. Have the principles in that Report fre-

Mr. *Freeman*—continued.

quently come up for discussion at the Council since?—Yes, and they have always been adopted and acted upon. I do not think there has been at any time any variation of opinion until quite recently, or any suggestion contrary to the terms of that Report with regard to the authority to be the water authority.

43. I think, in accordance with that Report, petitions were presented against the two Bills for the establishment of a joint commission?—Yes.

44. In your opinion, is the present policy of the Council substantially the same as that set out in the Report to which you have just referred?—Yes, it is.

45. Do your opinions individually entirely coincide to-day with those contained in that Report?—Quite, and they are in fact, so far as I know, the opinions of the Council.

Sir *William Marriott.*

46. The majority?—No, the opinions of the Council, there has never been, I think, any motion to alter, vary, or rescind that resolution or that principle.

Mr. *Freeman.*

47. As regards the question as to who is to be the water authority of London, do you regard that, as far as the Council is concerned, as a settled question?—Quite; I know that recently Sir John Lubbock has entertained a different view from public articles that he has written; but in those articles he has said that those are his views, and not the views of the majority of the Council.

48. Going back as far even as Sir William Harcourt's Committee, where the desirability of some public body having control was recommended in the absence of any single municipal authority; of course, since that the County Council has come into existence?—Yes.

49. And, in your opinion, does that creation fill up the gap which was indicated in Sir William Harcourt's Committee's Report?—Yes, that is the view of the Council, and it is my own individual view.

50. Again dealing with Sir Matthew White Ridley's Committee, that Committee recommended, did it not, that the Council should have power to promote a Bill constituting themselves the water authority for London?—Yes.

51. Since that time the Council have acquired power to promote Bills in Parliament for that very purpose?—Yes, after that Report of Sir Matthew White Ridley's Committee.

52. In your opinion, is there anything which differentiates London from other great municipal towns so as to prevent its council being also its water authority?—No, we think not, nothing; there is its magnitude, of course, it is larger.

53. And, of course, as I am reminded, and the Committee are perfectly aware, the County Council is the statutory successor of the previous Metropolitan Board of Works?—Yes, all the powers of the Metropolitan Board of Works are vested in the Council, together also with such other special powers as were conferred by the Act of 1888 as-regards London, on the London County Council, which stands in a totally different position to any other county council under the Act of 1888.

Mr. *Freeman*—continued.

54. And, of course, it differs also from the Metropolitan Board in that it directly represents the ratepayers?—Yes, and it has special statutory powers also conferred upon it as representing the municipality of London.

55. I notice that it has been suggested by some of our friends, that to carry out these duties would be too onerous work for the Council; in your opinion, is that a justifiable fear?—Not at all, it can be perfectly well performed. Of course it would be managed by a committee, as in the case of Birmingham, where their water committee, I understand, consists only of eight members. There would be ample power in the County Council, I mean to say as regards the capacity of work, and time to allow for the administration of these water companies. Of course, the administration would be immensely lessened by centralisation. We administer by a committee of 40 the whole of the lunatic asylums, where we have to deal with 11,500 lunatics. There are five separate lunatic asylums in different parts outside the county, many miles out, and that is administered with very great credit and great economy by a statutory committee formed out of the County Council. The other committees which have branches of the different administrative work consist of from 12 to 15 members on each committee. I know the work very well of the County Council, and have been myself an active member on some of the committees, and I am quite sure that the administration of the water undertakings could be perfectly well undertaken by the existing body.

56. So that I understand you to say that on the same analogy as you have by committees managed other large and complicated matters, so you would by the same machinery manage the question of the water companies when they are taken over?—Yes.

57. Now, I want you to come back to the history which we were dealing with, from which I am afraid I rather digressed. You were mentioning that there were three important Bills before Parliament in 1891?—Yes.

58. The Water Commission Bill promoted by the City?—Yes.

59. The Vestries Bill?—Yes.

60. And a London County Council Bill?—Yes, and a London County Council Bill. Then there were three other Bills. Mr. Causton's Bill, the Croydon Bill, and the Southwark and Vauxhall Bill, all relating to water.

61. One question upon those. As regards the City Bill, that had been preceded by the inquiry held by the City Corporation, had it not?—Yes, it followed the inquiry held by the City Corporation, but I think, owing to their not having any statutory powers, they were not able to compel any information from the water companies?—No, they are only a corporation, they do not do municipal duties.

62. Then the Metropolis Water Bill, which was promoted by the vestries, notice was given of in the usual way?—Yes.

63. And then, I think, the London County Council Bill; there was a doubt as to whether it could be introduced as a private Bill?—Yes.

64. It was introduced as a public Bill?—Yes.

65. And

Mr. *Freeman*—continued.

65. And it was blocked, and was finally prevented coming before the Committee?—That is so.

66. I think you also said that besides those three Bills there were three others: the Metropolitan Charges Bill, the Croydon Water Bill, and a Bill by the Southwark and Vauxhall Water Company?—Yes.

67. The latter being a Bill to raise additional capital?—Yes.

68. Those proceedings were referred to a Committee, were they not, presided over by Sir Matthew White Ridley?—Yes.

69. I think the Committee met for the first time on the 15th of April, and then adjourned to the 28th?—Yes.

70. And on the 28th the case of the City Bill was opened by my learned friend, Mr. Littler?—Yes.

71. At the close of Mr. Littler's opening was the room cleared, and did the Chairman then announce, "The Committee have considered this matter very carefully, and they have come to the conclusion: They are of opinion, on the opening of the case by Mr. Littler, that no Bill can be satisfactory, dealing with the questions referred to this Committee, which merely constitutes a public authority to promote Bills in Parliament. Therefore, practically, that means we cannot see our way to passing the Preamble of this Bill"?—Yes, that was the resolution of the Committee.

72. And that conclusion, of course, was come to immediately after the opening for the Bill, before either the Council or the vestries, or any other outside authorities, or the waterworks, had given evidence?—That was so; there was no evidence, and no counter-speech.

73. I think the same Committee heard the Vestries Bill on its merits, did they not?—Yes.

74. And rejected it?—That was so.

75. The Committee then stated that, for the reasons above stated, they declined to enter into the question of a new supply when that question was pressed upon them by the County Council?—Yes; they considered, as constituted, they were not capable of going into the question, which required examination on the spot, and other important matters which the Committee felt they were unable to undertake.

76. I think, after hearing the Vestry Bill on the merits, the decision of the Committee was given in these words, was it not: "In view of the period of the Session at which we have arrived, the Committee intimate that they do not require any more evidence from the opponents of the Bill against the trusts as proposed in the Bill before the Committee; that they do not, under the circumstances, consider themselves in a position to examine into, or report upon, the quantity or quality of the present supply, or the means by which any additional supply may be best obtained"?—Yes.

77. On that occasion an agreement was come to, was it not, between the Corporation of London and the London County Council with regard to the Water Bill?—Yes; we negotiated then with the Corporation Committee, and the committee of which I was chairman, which had charge of these matters, and that committee negotiated an agreement and an arrangement with the City Corporation, the object being to revive, if possible, the City Bill, and to make it the means of giving effect to the agreement so entered into with the Corporation. In substance, the agreement recognised that the undertaking should be managed by a statutory committee of the County Council rather than an ordinary committee, liable to variation, and that upon that committee one in eight should be the representatives of the City. The agreement also defined that the statutory committee was to be confined to management and regulation, and that that committee was not to have any control over finance, or any other matters which affected capital or charges, and they left it very much in the same position as what the statutory Asylums Committee stands in with reference to the County Council; that is to say, on income, accounts, regulations for management, the County Council has no powers to question the amounts of payment on income made, but for work, or raising of capital, or control, or expenditure, or policy, it would vest and remain in and with the Council. That is, in substance, the arrangement.

Mr. *Freeman*—continued.

78. The next thing, I think, we have to refer to is the Special Report which was issued by Sir Matthew White Ridley's Committee in reference to this question, which had been before them?—Yes.

79. That is a Report dated the 14th July 1891?—Yes.

80. That, again, sir, I think it would be very convenient to everybody if it were placed on the Appendix at the end of the Proceedings. (*See* Appendix.) (To the *Witness.*) I think you are thoroughly well acquainted with that Report?—Yes.

80*. And I think substantially that Report adopts the points of view which were put forward on behalf of the Council, does it not?—Yes.

Chairman.] Who was the Report by?

Mr. *Freeman.*] This was a Report by the Committee presided over by Sir Matthew White Ridley to your House. It is a Special Report made by the Committee to the House of Commons. (To the *Witness.*) I think in that Report, at sub-paragraphs 1 and 2 of paragraph 4, the Committee intimated their opinion that the Council was the proper body to be entrusted with the power of preparing schemes on the water question.

Mr. *Cripps.*] I do not wish to raise an unnecessary objection, but surely the Report speaks for itself.

Mr. *Freeman.*] Certainly, that is so; it is merely for convenience.

Mr. *Cripps.*] If the Report is put in as a document, it will speak for itself.

Mr. *Freeman.*

81. Very well, you are perfectly accurate, as usual. (To the *Witness.*) It was upon that Report, was it not, that a debate took place on the Council during which the speech of Sir Thomas Farrer was delivered, to which Mr.

Mr. *Freeman*—continued.

Balfour Browne referred in his opening?—Yes, that was so.

81*. I think about this time application had been made by the County Council to the Government, had it not, requesting them to appoint a Commission requiring them to inquire into the quantity and quality of the supply?—Yes; that was in October 1891.

82. Inasmuch as no steps had been taken, I think you again pressed the Government, and you received an answer from them in October 1891; is not that so?—Yes.

83. Saying it was having their best attention, and in January 1892 you received an intimation that a Royal Commission had been appointed?—Yes.

84. In November of the year 1891 did the Council receive from the City Corporation an announcement of a proposal by one of their committees to introduce a Bill in accordauce with the memorandum of agreement of the previous May?—Yes.

85. I think the Council assented to that course?—Yes.

86. And a Bill was then prepared and introduced between the two bodies?—Yes.

87. I think upon this question of the water supply the views of the Corporation and the Metropolitan Board of Works have practically been harmonious?—I believe so, from all the records I can find.

88. I believe there are some matters on which you have had the misfortune to differ from the City, but on this there has been absolute unanimity?—I think so.

89. Was that the Bill which ultimately became an Act known as the London Water Act, 1892?—Not quite in the form in which the Bill was promoted. The first part of it was adopted, and became the London Water Act, 1892.

90. The Bill as introduced finally emerged as the London Water Act, 1892?—Yes.

91. I think the Committee of the House of Commons which sat on that Bill intimated that they were of opinion that the portions of the Bill constituting a new water authority should not be proceeded with, did they not?—Yes.

92. But agreed to proceed with that part of the Bill authorising applications to Parliament on the subject by the Council, and the incurring of expenditure for that purpose and the purpose of the inquiry?—Yes, that was the first statutory authority that was conferred on the Council to promote Bills specifically relating to water.

93. That decision considerably altered the Bill as the Corporation and yourselves had introduced it?—Yes.

94. It curtailed it?—Yes, it curtailed it.

95. I think you then had a conference with the City, did you not, and it was unanimously agreed to accept the decision of the Committee and to proceed with the remainder of the Bill, and that was confirmed by the Council?—That was so.

96. By that Act of 1892, did the Council for the first time get an unquestioned right to deal with the water question?—Yes, with regard to the promotion of Bills.

97. During the years 1888 to 1892 they had been unable to move, owing to the doubts as to the rights of the Metropolitan Board, now the County Council?—Yes; the Metropolitan Board had moved, I think, in 1875, and their account had been surcharged.

98. We will take that shortly; it is very ancient history, but there had been a sufficient doubt produced by that surcharging to prevent the Metropolitan Board pursuing Bills on the water question and to hamper the County Council?—Yes; at all events the individual members of the Council would not act whilst that question was unsettled.

99. In 1892, when they got this power for the first time, was the Royal Commission actually sitting, or about to sit?—Just about to sit.

100. Therefore, did the Council consider it right to postpone any further decisive steps while that Royal Commission was sitting?—Certainly.

101. I think it was at that time, was it not, that you had very carefully to consider the questions which were being brought before the Royal Commission?—Yes.

102. And, in particular, did you have to devote your attention to the recommendations that reservoirs should be made in the upper Thames and water taken?—Yes; that rather devolved on the Water Committee, of which Mr. Bassett Hopkins was the chairman, and he will deal with that part of the question.

103. Then, getting it in historical order from you, you did carefully consider the Report of the Royal Commission, but questions relating to the action of the Council on that Report of the Royal Commission, you prefer I should ask Mr. Bassett Hopkins about?—Yes. When the Report came up we made a report upon it to the Council, and I took part, of course, in the discussion.

104. You, yourself, took a considerable personal interest in the discussion, I think?—Yes, I followed it all through, and I was a member of the committee, but I was not the chairman of that particular committee.

105. And the outcome of that was, was it not, that after numerous reports, which I need not really trouble the Committee with now, and after great debates and consideration, the Council resolved, in July 1894, that the Parliamentary Committee should proceed with Bills for dealing with the acquisition of the water?—Yes. We took up the question of the Water Commission Report, and upon that Report there was, I think I may say, a practically unanimous expression of opinion that no more water ought to be allowed to be taken from the Thames Valley for the water supply, and there was also a very strong feeling or prejudice, I care not what it is called, against drinking water from the Thames Valley, which was and must necessarily be to a great extent polluted, and could only be rendered drinkable by filtration of a very high class.

106. I understand any details relating to that part of the case will be filled up by subsequent witnesses?—Yes.

107. You merely mention the fact that after careful consideration the Parliamentary Committee were instructed to proceed with these Bills?—Yes.

108. That brings us to the actual state of things as it is now?—Yes.

109. I want

Mr. *Freeman*—continued.

109. I want to direct your attention to the several points in respect of these actual Bills in which questions of policy on which you represent the Council will have to be considered. The first point I want to draw your attention to is this: as the Bills are introduced in Parliament, there are eight separate Bills, one for the purchase of each of the eight water companies' undertakings?—That is so.

110. Was that matter very carefully considered, first, by the Water Committee, then by the Parliamentary Committee, and finally by the Council?—Yes, it was.

111. Was the resolution to introduce the separate Bills only arrived at after you had carefully considered the constitution, Acts, and positions of those various companies?—That was so, and after a very careful examination of the circumstances of each undertaking.

112. Were you, in that matter, very fully and carefully advised by all your officers, including your engineers, your solicitors, your Parliamentary agents and others?—Yes, we were.

113. Before I go a little more into detail, let me ask you, was the opinion of the Council, upon which they are now acting, that there was so great a difference in circumstances with regard to the various companies that it was impossible practically to treat them in one Bill?—That was so, and the more it was examined and looked into, the more that result forced itself upon our attention.

114. Was that the fact, not merely as regards the physical areas of the companies, and their sources of supply, but also as regards the rentals which they were asking for water, the liabilities which they were under of supply, the charges which they were able to make, and numerous other points?—Yes.

115. I think you found, did you not, at a very early period, that the supply of water to the metropolis did not exist as if it were a system where the supply was by one or two companies?—Yes, that was one of the first things which, on examination, came prominently forward, and when we examined into the undertakings, and their history, and their works, they were none of them laid out as a series of undertakings to supply one town in the same way that one or two water companies would supply Liverpool, Manchester, or any other of the large towns. They had all grown up as sectional or district companies under different liabilities, and under a totally different set of conditions. That was one of the first points that struck us, because some were subject to general legislation; others, because they were district companies, were exempt from general legislation, and had special enactments in their favour, because they were district and not metropolitan water supplies. We found that the first point was that it was not as if the metropolis had been laid out, and the work had been divided among eight water companies under the same conditions to supply one entire metropolis, but they were eight sectional district companies.

116. That, I think, is the point which early impressed you, that they were district companies, and not eight companies supplying the metropolis?—Certainly.

Mr. *Freeman*—continued.

117. And they each had their own particular district?—Yes.

118. And in consequence, in some cases, were subject to special legislation?—Yes.

119. Did you also find considerable difference in the companies owing to their former and present sources of supply?—Yes, some of the district companies had grown up with sources of supply from the tidal part of the River Thames; for instance, the London Bridge Waterworks and the Borough Waterworks. Others had grown up by shifting their sources on the Thames from the tidal portion low down at London Bridge to Vauxhall, Lambeth, Kew, and other portions still of the tidal water, and that those had again subsequently shifted their sources of supply to the non-tidal portion of the river; the upper river at Molesey and elsewhere.

120. Did you find others coming from Hertfordshire and the River Lea?—Yes, some had been laid out as a system from inwards outwards, and others, notably, of course, the New River, for bringing water from the outside into the metropolis. They are laid out on different systems under a totally different set of conditions.

121. Was the result of that particular matter that you found there were different quantities of water, different rentals, and different undertakings?—Yes.

122. Another matter which I think you considered material was in respect of the companies' legal obligations to lay down pipes in their water districts; was that so?—Yes. There are hardly two of them under the same system of obligations with regard to that, because most of these companies began with statutory powers which were entirely enabling powers to supply, and for the consumer to take if he thought fit upon terms of agreement. Then, later on, notably in this Lambeth case, they converted a power to supply into an obligation to supply, and the Act of 1834 was the very phrase "shall be obliged to supply." Then, again, there was, of course, as the Committee are aware, the Code of 1847. Taking the Lambeth case, the Lambeth Company incorporated that Code, and subject to all the provisions included in the 35th section of the Act, which imposes obligations to distribute, and the modification was only with regard to the height, which, instead of being to the top storey of every house in the district, was limited to a particular height, in the case of Lambeth to a certain number of feet. Lambeth was to be 150 feet above Trinity high-water mark of the River Thames, In Lambeth we found its charges fixed in 1834. Those are the charges which are now in existence. They were fixed on what I call a 7½ per cent. rental, that being the first charge which is mentioned in the Act. That company, in 1848, when the Public Health Act and the Metropolitan Sewers Act were going through Parliament, came to Parliament and obtained their Act to add an additional charge in respect of the supply of water-closets, 1848 being the first year of compulsory application of water to water-closets. Then from 1848 that company, as regards charges, have never been before Parliament, and it rests its charges entirely, and rests its obligations entirely, on its two Acts of 1834

Mr. *Freeman*—continued.

and 1848. There has been no revision at all since that date. Other companies have come to Parliament; in 1852 two of the other companies came, and they were subject, not to the whole of the clauses of the Code of 1844, but to the omission of the most important clause in the Code of 1847, and new and substituted set of clauses modifying it on account of their being district water companies to which the Code of 1847 would have been inapplicable, as that was alone applicable to an entire system. Every one of these changes we found had taken place, and, again, in 1852, other companies have had their charges altered, and modifications made. When they shifted their water supply from the tidal part to the up river, they were exempt from the special provisions of the Act of 1847, and came under a totally different set of liabilities with a different set of charges, so that after 1853 there was no company then outstanding, except the Kent Company, and the Kent Company was then resting its charges entirely upon agreement. That was not charged unti 1864, when it was put as a charge upon annual value. Then we found that the result was that these were four standards of charges. I do not enter into the detail of each particular house, but the Lambeth Company is the highest on what may be called the 7½ per cent. scale, that being the highest rate per cent. mentioned in the Act. Then the next highest is the Kent Company, which was altered in 1864. Then the East London, and the Southwark and Vauxhall, got a 5 per cent. rental. All the other four companies, which came in 1852, were limited to a 4 per cent. rental, expressing it shortly; a charge at the rate of 4 per cent. on the rental.

123. Perhaps we may take it shortly for the present purpose that you do find, as you have been telling the Committee, an enormous difference as to both the powers and the charges of these different companies?—Yes.

124. So different, I mean, that it was quite impracticable, and would be unfair, to deal with them altogether in one Bill?—Quite; and there was another very strong circumstance; we found also that some had no area outside the metropolis to supply.

125. That was the next thing I was going to ask you. It was the next point, was it not, that in some cases the companies had an outside area, which in the extremest case goes up to 174 square miles?—Yes.

126. That is the case of the Kent Company?—Yes.

127. Whereas in the case of the Chelsea Company there is absolutely no area outside the metropolis at all?—That is so.

128. And the Lambeth Company has 62 square miles outside the metropolis?—Yes.

129. If we translate square miles into population, they vary, do they not, from 26,000 persons in the outside area up to 395,000, which is the Kent?—Yes. The difference, also, of area and population has this very important bearing, that inside the metropolis there is the Metropolis Valuation Act, 1869, which keeps the valuation up on each tenement to its very highest and fullest value, whilst the annual value in the surrounding counties is not kept up to that same standard, and, of course, therefore, those that had a very large area outside, and were supplying outside, had a water rental dependent upon a totally different standard of annual value, as regards the bulk of them, to those which were supplying more and more in London. Therefore it was impossible to deal with those undertakings collectively by one and the same Bill.

Friday 17*th May* 1895.

MEMBERS PRESENT:

Mr. Ainsworth.	Mr. Muntz.
Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Burnie.	Mr. David Plunket.
Sir James Kitson.	Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. CHARLES HARRISON, re-called; and further Examined, as follows:

Mr. *Freeman.*

130. WHEN we adjourned yesterday you were giving in detail the various reasons why the County Council had brought these separate Bills in, and also why the particular Bill was framed in the way in which it is?—Yes.

131. The next point I wish to direct your attention to is this, still following out the same scheme of evidence; do you find that as regards the Lambeth Company and the Southwark and Vauxhall Company, they together form a complete system of water supply for the south part of the county of London south of the Thames?—Yes. If the Committee will kindly refer to the map there they will see that the two companies which are coloured completely fill the whole of the southern area south of the Thames, with the exception, of course, of the extreme south-east corner.

132. That is to say, they are entirely independent of all the northern part which is served by other companies?—Absolutely.

133. Now I will pass to another point; do you find between the various companies the greatest possible divergence as to the constant supply and the height of supply at which they have to deliver the water?—Yes; there are six standards from 40 feet up to 300 feet, those which are on the highest ground are the 300 feet, taking the New River, and those which are in the lowest ground, the East London have the standard of 40 feet.

134. That is to say the East London is 40 feet?—The East London is 40 feet, and, of course, the general code of 1847 says, "to the top storey of the houses in the district."

135. I think both as regards the Lambeth Company and the Southwark and Vauxhall Company their limit is 150 feet, which is a sort of intermediate one?—Yes, and then there are added with reference to the charges high service charges, so that if you are over a certain number of feet you get a charge for high service; for instance, in Chelsea, 10 feet above the pavement is a high service water-closet charge.

136. Passing to the next point, I think you had to consider the question whether these companies have any exclusive rights in any part of the metropolis, had you not?—Yes. Of course

Mr. *Freeman*—continued.

inside the metropolis there is no exclusive user, and the very fact that the proviso in most of these clauses was inserted in 1852 points to the fact of one or other of the companies supplying within the district of the particular company, and it has been laid down by Mr. Fitzgerald in his opinion on behalf of the Local Government Board before Sir William Harcourt's Committee in the appendix, that inside the county there is no monopoly at all. The law is different with regard to that area which is outside the county. There they are subject to the provisions of the Public Health Act of 1875. There the local authority by that Act may establish its waterworks and construct its own works, provided it cannot do so as against a water company which is able and willing to supply the water; and in the year 1850 the Lambeth Company was unable to supply the Croydon Corporation. In consequence of that the Croydon Corporation established its own waterworks, which are within the area of the water supply of Lambeth. I believe it is also the case in Sutton, and there is a similar case in regard to the area of Richmond. You will see it on the small hand map in white; there it is on the extreme left. The Richmond Company was a company which was formed for the drawing of water from the Thames and supplying it to Richmond. The source of water became extremely bad; the local company failed to supply, and upon that the Southwark and Vauxhall Company bought up all the shares of the local company, and said, "We will stand in the position of the local company, and are willing and able to supply Richmond." Richmond declined, and insisted upon supplying its own water; the Southwark and Vauxhall Company applied to the courts to restrain the Richmond Corporation from establishing its own waterworks on the ground that they were able and willing to supply Richmond. The courts held that the Southwark and Vauxhall Company, by purchasing the shares, were not the company referred to as being able and willing to supply, and they refused the application. In consequence, Richmond established its own waterworks, and then subsequently, by an Act made by arrangement, they took a certain quantity of

Mr. *Freeman*—continued.

water at a certain price in bulk from the Southwark and Vauxhall Company.

137. That is just an illustration of what you find in these peculiar powers of competition between two different companies?—Yes.

138. You found also, did you not, that there was a very great amount of difference between the companies in relation to their powers of supply?—Yes. All water companies drawing from the Thames have statutory provisions limiting the quantity which they may draw. We find that the unused powers of each of the companies are much in this position, that those that have the largest quantity, the balance, taking for instance Chelsea, have no area to supply outside at all. Those which have a large area to supply on which the population will necessarily increase and is looked upon as being the place where it will increase, have extremely limited powers of supply. So that if that area came to be filled up from the present sources of supply, the company will be unable and unwilling to supply that outlying district, and immediately would grow up the right of the locality to establish its own local works.

139. To take a short contrast, do you find that the Chelsea Company has an unexhausted power for its own purpose of drawing about 10,000,000 gallons from the Thames, and has no outside district to supply?—That is so.

140. While the Southwark and Vauxhall Company is already drawing in excess of its statutory power from the Thames, and yet has a very large outside district to supply?—Yes.

141. Then again, as regards the Lambeth Company, is that drawing its full statutory amount?—It depends on whether you include or exclude the agreement which were made with the Thames Conservancy.

142. But whether you include those or not there is a very small margin in respect of Lambeth, is there not?—Yes, very small. The engineer will give you the actual figures, and they have 62 square miles to fill up outside.

143. I think another very important matter in which the companies differ is in relation to the claim for back dividends, is it not?—Yes; hardly any two of them are in the same position, either as regards legislation or as regards facts.

144. When you say facts you mean that some of them have already reached a limit, enabling them to make use of back dividends, and others are some way off?—Others are some way off. That is a matter of fact, a matter of account, I consider. Then of course there is the question of law as to what is the meaning of the clause even when it has to be applied.

145. Then again, I think a matter that your engineer advised you upon was that there was considerable difference between the various companies as to division of works, and reservoirs in outside and inside areas?—Yes; and with regard to this question of dealing with the areas outside, of course it was advisable to leave to those areas so much of the works as could be properly apportioned or divided amongst that area, and the engineer advised us that the works and construction were of such different classes and of such different natures that the cost of the apportionment, that is to say, equipping the inside and the outside areas and partitioning them, would be totally different in each company's case. For instance, you may take the Kent Company as an illustration, which has wells and nearly always of course, pumping stations at the wells. You can easily keep the London wells and leave the outlying wells and their pumping stations and distributing works to local authorities. Others may have a more complicated system.

146. I believe the circumstances of the various companies with regard to their property and the amount of their debenture stock and their estate, varied very considerably, which again was a reason for dealing with them separately?—Yes. Some have a considerable debenture capital; others have preference capital; others, again, have little.

147. I think all these reasons which you have now at some length been detailing to the Committee, were before your Council in determining the question of the way in which you should introduce this Bill?—Yes; we sat a long while extending over a very long period of time so as to give full consideration to these topics.

148. And I think, although it is a subsidiary point, you thought by these means you might be able to curtail the expense inflicted upon persons in each particular district?—Yes.

149. Now I will take two or three questions with regard to the Bill itself. First of all, with regard to the form of the Bill. In the first instance you proposed that there should be an option of agreement between the companies and the County Council?—Yes, we had a correspondence with them.

150. Was that at an early stage entered upon by the Council endeavouring to see whether they could not come to amicable terms with the various companies?—Yes; we asked them whether they would be prepared to negotiate, and their replies in many cases were that they had not the legal powers.

151. I think the details will be gone into if necessary by Mr. Bassett Hopkins, who conducted the negotiations on behalf of the Council?—Yes; they said they had not legal powers.

152. I will only ask you as regards the company now before the Committee, the Lambeth Company, I think the directors there stated that having no power to enter into a binding contract for the sale of the undertaking, they considered it inexpedient to enter into negotiation?—That was so; undesirable and inexpedient.

153. Clause 5 is the clause in the Bill which deals with the arbitration, is it not?—Yes, with the nature of the arbitration.

154. Was that again a matter of very careful consideration by the Council and its committees?—Yes; and we had the advantage on the Committee, of being advised by counsel who attended our meetings for that purpose.

155. I think the scheme which is finally determined there was one arbitrator to be appointed by the purchasing body, one to be appointed by the selling company, and those two to agree upon an umpire to determine the question between them?—Yes.

156. In your opinion, is that the fairest method which

Mr. *Freeman*—continued.

which up to the present you have been able to advise as giving the company an independent appointment for their arbitrator and enabling a fair conclusion to be arrived at?—Yes; we thought it was better to leave it and allow this tribunal to be constituted in that way in preference to leaving it simply to the nomination of a Government department; we thought that in that way it would satisfy the companies and we should be satisfied.

157. And you gave the arbitrators, did you not, the power to appoint experts to assist them in the matter, which, in your opinion, would tend to the quick despatch of the whole question?—Yes, and to economy.

158. I presume I may take it that the Council is not wedded to any particular form of appointment of arbitrators, and if a better form could be devised they would be perfectly prepared to accept it?—Quite so, and that was the result of our careful deliberations upon the subject.

159. I want to direct your attention now for a few moments to Clause 6 of the Bill, which provides for certain matters being brought under the consideration of the arbitrator, not directions to him, but matters which he may consider. There are several distinct matters referred to in that clause. On every one of those did you receive careful reports from the officers of the Council?—Yes.

160. And I think that clause was very carefully considered by the Committee who had the preparation of the Bill, in consultation with your agents, and I think also with counsel?—Most carefully.

Chairman.] Will you ask please who were the officers of the Council who gave the information to which the witness refers?

Mr. *Freeman.*

161. (To the *Witness.*) Will you answer that?—The Parliamentary agent, the counsel, the engineer, the statistical officer, the medical officer, and their subordinates, and water expert engineers.

Chairman.] I think perhaps it might be as well to give the names of these gentlemen at this point?

Witness.] They will all be called as witnesses.

Chairman.] If you will pursue your own course ——

Mr. *Freeman.*

162. Any information that occurs to you, sir, or the Members of the Committee, I shall be prepared to supply. I will give it at once, while it is in our minds. (To the *Witness.*) First of all, there were various questions relating to engineering?—Yes.

163. Is Mr. Binnie the Chief Engineer of the Council?—Yes.

164. Did he make reports to you?—Yes.

165. Did he have the assistance of any other engineers?—A great number.

166. Can you give me any names?—I cannot at the moment recollect the names.

167. I may say, sir, perhaps for the information of the Committee, the way the matter was done was this. Of course, the officials of the various departments make reports to the Committee in a matter of this importance; for instance, Mr. Binnie on behalf of the engineers, would ask for instructions that he might have the assistance and advice of other engineers, and I think without a single exception, every one of the gentlemen who advised with Mr. Bennie will be called as witnesses if necessary. I will have a list made out. (To the *Witness.*) Mr. Binnie is responsible for the report, of course?—He is reponsible for the report on engineering questions.

168. When you come to the questions of purity of water and things of that sort——

Mr. *Cripps.*] Might I suggest, and it might save time, we are told that these reports were made by Mr. Binnie, and in those reports are the names of the other gentlemen who helped him. If we have those reports we should have what was told the County Council, and we should have on them the names of the gentlemen who supplied the information. I think that is what we are entitled to.

Witness.] It was not quite so because Mr. Binnie would make his report and he would advise when we had considered it that he should be assisted by Mr. So-and-So, and So-and-So, and he would ask for the instructions of the Committee which has charge of it.

Mr. *Freeman.*] Of course we shall produce the report.

Witness.] I mean to say it was not done all at once; it was done from time to time and from each adjournment. If Mr. Binnie, having consulted a gentleman, wanted still further information he would have it; it does not appear in any one report.

Chairman.] The Committee will leave Mr. Freeman to take his own course.

Mr. *Cripps.*] May I say this: if we are to have the reports (we should like them now, but that is in my friend's discretion, I admit) with the names of the gentlemen who made them, would it not be better to take the evidence in that way than indirectly through Mr. Harrison?

Chairman.] I do not think there is anything irregular in this at all events, and I do not like to interfere with the discretion of Mr. Freeman. I am sure he will conduct the matter in whatever way will conduce to brevity.

Mr. *Cripps.*] Quite so, sir, but directly it comes to a question of something in a report and the names of the gentlemen consulted, if we have the report, it saves time.

Mr. *Freeman.*

169. I am not going to ask a single question about the report, but in answer to the Chairman's suggestion I am trying to get the names of the officers. (To the *Witness.*) With regard to the purity of the Thames, I believe Mr. Dibdin is your chemist?—Yes.

170. And Mr. Hayward is your controller?—Mr. Hayward is our controller.

171. I think Mr. Gomm is your statistical officer?—Mr. Gomm is our statistical officer.

Chairman.

172. Controller of what?—Of accounts.

173. Who is Mr. Gomm?—The statistical officer.

174. Of all kinds of statistics?—Yes, everything with respect to reports of the companies' capital, their dealings, the position of their debenture debt, and all that sort of thing; anything in the shape of returns from documents which have been published under any of the Commissions it would be the duty of that statistical officer to collect; such as the number of houses supplied by each company, and so on.

Mr. *Freeman.*

175. Then I think as to all questions of Parliamentary procedure, powers of companies, and such things, you would be advised by Mr. Cripps, your Parliamentary adviser?—Yes. Of course after the order was made by the Council adopting the instruction or recommendation to apply by these Bills to Parliament, the matter under the Standing Orders goes to the Parliamentary Committee, but in order to have the advantage of the advice of the Committee which is dealing with water generally and which had made previous investigations, we appointed a Sub-Committee from the Parliamentary Committee, upon which Sub-Committee were added Members of the Finance Committee, and Members from the Water Committee. Mr. Bassett Hopkins was the Chairman of that Water Committee up to this last Election when he returned; he will be called. Mr. Hoare, and I forget who else, were appointed from the Finance Committee.

176. You say after having these reports and very carefully considering these matters, the Council considered it desirable that these matters should be included in Clause 6, as matters to be considered by the arbitrator?—Yes.

177. I will take them very shortly. The first subject-matter is "The condition and state of repair." That is purely an engineering question upon which the engineer will give evidence?—Quite.

178. Then, as regards the next point, "The legal powers of the Company to take water, and the probability of such powers being limited," I think that you have almost dealt with, have you not, or rather it has been dealt with in the opening address of Mr. Balfour Browne?—It has been with the exception of this point. I am, and have been for some years now, one of the representatives of the Council on the Thames Conservancy Board, and I was present and took part in the settlement of the Act of last year with reference to the Thames Conservancy re-constitution. On that occasion the question of drawing additional quantities of water from the Thames arose, and the conservators opposed the water companies being allowed to draw any more water from the Thames Valley beyond that which they were legally then entitled to draw, and Parliament inserted a provision in the Act of 1854 declaratory of that state of things.

179. As regards that point which you were just answering, I think it is the fact, is it not, that the Thames Conservancy is already, in respect of this very Bill, proposing certain limitations as to the taking of water?—Yes, they object very

Mr. *Freeman*—continued.

strongly to any more water being taken from the Thames Valley; they are bound by their statute, Section 91, "By all lawful and proper means to preserve and maintain at all times and as far as may be the flow and purity of the water of the River Thames." Of course Londoners and the County Council are very largely interested in that question apart from water companies. The Act of 1885 made and declared the Thames a public navigable river for the purposes of recreation, and it is recited in that Act that the reason of passing that statute was in consequence of the increase of the population of the metropolis, so that Londoners regard under that Act the Thames as a recreation ground, and that it is of the greatest possible importance on that ground, apart from any other question, to maintain the flow in the upper river, and that water should not be abstracted for other purposes.

180. Are you also aware that in the petitions presented against this Bill on behalf of Hertfordshire, Middlesex, and Kent it is suggested that no further water should be taken from the Thames?—Yes.

181. While upon this point I will direct your attention to the report of the Local Government Board. Do you know that the Local Government Board in the report which they have presented to Parliament this Session take the same view as to restricting the intake?—Yes.

182. That, I think arises particularly in the case of the Chelsea Waterworks Company. I will not go into it now. Pursuing what you were saying, the adequacy and efficiency of the sources of supply, and of the filter-beds, is, of course, an engineering question?—Yes.

183. But, of course, although it is an engineering question, it is a question which has been very carefully considered by your committee of the Council?—Yes, very carefully.

184. And when I say your committee, I mean not merely the Parliamentary Committee, but also the Water Committee?—Yes.

185. The next one is, "The probable necessity of the future introduction of a new source of supply, and new and improved works." Has that, again, been very carefully considered?—That has engaged the attention of the Water Committee especially, and it has never been out of the jurisdiction of the Water Committee except in so far as it may be introduced into this matter.

186. And I believe your engineer has had to carefully consider that question, has he not, and will be prepared to give us full evidence upon it?—He will.

187. Then, as regards the question of the legality of the charges now made or claimed to be made by the Lambeth Company, that you have already dealt with, I think, in the answer you gave me yesterday?—Yes.

188. That is a subject which may have to be dealt with in more detail; but, as far as the broad lines are concerned, I think you have already given your views on the subject speaking for the Council?—Yes, broadly.

189. Have you anything special you would like to add before I pass from that point?—With

Mr. *Freeman*—continued.

With regard to that question of the charges and the reasonableness of the charges, of course there is involved the question of competition, and the result of the present state of things is this, that you have got the four standards of charge established in the different sets of companies. The Lambeth Company is Standard No. 1, then comes the Kent Company, then the Southwark and Vauxhall Company, and the East London Company; then come the four companies under the Act of 1852, and those four companies whose charges were so limited, each of them acquired under the Act of 1852 powers to go into and had an extension of their water area of supply into the areas of the other water companies given them. In this particular case, the Lambeth charges being the highest standard, the Southwark and Vauxhall Company had powers to go into the same area with Standard No. 2. Then, in 1852, the West Middlesex Company having powers to go into a very large portion of this area of Lambeth and of Southwark, the West Middlesex Company's charges in 1852 were based upon the 4 per cent. standard. The practical result of it is this, that in consequence of the clause in those Acts containing the proviso that they were not bound to go where another company was already supplying. The consumers in the districts of the Lambeth and Southwark and Vauxhall Companies have never been able to legally call upon the West Middlesex Company to exercise these powers, and give them the cheaper rate of the 4 per cent. standard: so that in point of fact many districts in these areas are now paying on the 7 per cent. standard, the Lambeth charges; whereas if the West Middlesex Company had gone into those areas they would only be paying the 4 per cent. standard. It is not merely the power to supply at that rate, but the statistical officer and other witnesses will be able to satisfy the Committee that the charge invariably made is a charge up to the maximum, so that it is a maximum charge always, and not merely a power to go and exercise it up to that maximum. And in point of fact it comes to this, that by giving this maximum, and by exercising it the companies, in fact, do not supply upon charges, having regard to the necessities or the wants, or the quality of water supplied, but simply use the maximum practically as a matter of local taxation. It is, in fact, a local taxation upon a rental following the Valuation Act of 1869. For instance, take my own case; I bought a new house about five years ago; I was put on the provisional list. The moment I was put on the provisional list I had a water rate demand for the amount at which I was rated, the full amount. I appealed against the rate, and they reduced the rating; but, in the interval, I had had a demand from the water company, and they charged me the full amount of the water rate irrespective of the amount of supply or the amount of demand, and, of course, necessarily had to reduce it when the rate was reduced. But that is only illustrative as showing that the governing element in the rate which is demanded is that of rental value, and to the maximum irrespective of any other considerations. I drew no more water, and a great number of persons in that part where I live draw no more water, but draw less.

190. In fact, you only give that as an example of what other persons suffered from?—Quite so, by reason of the exercise of the rating power being always up to the maximum.

191. I think the next two points are engineering; the reduction, insufficiency of filtration, and in respect of works and plant; that is a matter which the engineer will speak to?—Yes; but there is one other observation I should like to make; that in certain highly rated areas which are exceptional, there the companies do not charge; for instance, take the important banks and other places in the City area which are highly rated: those are not charged up to the maximum, and what is the result? That the domestic supply to the householder is charged up to the maximum. It is rated on a different standard, and he has to pay, in fact, for the exemption which the larger class of property of that nature is exempted from.

192. I will now take you to the next point. "The statutory powers of any other company to compete in any part of the Lambeth Company's district, and the rights of any other company or body to supply water in the Lambeth Company's district, whether as now existing under Statute or otherwise, or as may be likely to exist in the future." I think you find, do you not, that there are considerable powers unexercised by the different companies, particularly the Lambeth and the Southwark and Vauxhall Companies, in areas over which they have powers to supply?—Yes; of course it does not matter where you have companies overlapping, whose water rental charge and high service and other constant supply charges are the same, it is immaterial; but it is very material where you come to those areas that are occupied by the four companies whose charges are higher than the standard even of 1852.

193. It is the fact, is it not, to illustrate what we are speaking of, that the West Middlesex Company, which has the low charges, has power to supply, but does not supply, a very large part of the area both of the Lambeth and the Southwark and Vauxhall Companies?—Yes; the Committee will see it on the cartoon up there. All that part coloured lake within the blue line represents the powers of the West Middlesex Company. You will see the blue line running through 2——

194. The precise area, I believe, will be given by another witness?—Yes.

195. I want to take it as an illustration from you?—Yes, it is only an illustration.

196. In the same way, when we come to deal with other companies, we find the same thing existing in their case, do we not?—Yes.

197. But we will confine ourselves at present to the Lambeth and Vauxhall Companies?—Yes.

198. And the Lambeth Company, which is the Bill now before the Committee, is subject not merely to competition, so far as rights are concerned of the West Middlesex Company, but also of the Southwark and Vauxhall Company?—Yes.

199. I will now pass to the proviso which

Mr. *Freeman*—continued.

appears at the end of Clause 6; there are three things dealt with, are there not, in that proviso. First of all:—"No allowance shall be made by the arbitrators in respect of any claim, to make up to the prescribed rate any dividend which shall have been payable more than six years previously to the passing of this Act"?—Yes.

200. I think you have already dealt pretty fully, have you not, with the question of back dividends in your previous evidence?—Yes; there being a great question as to what is the meaning of the different clauses which are applied in each different Act.

201. And this is intended, is it not, as a compromise based on the analogy of what was done in the Gas Acts?—Yes, based substantially on the Gas Acts irrespective of the legal rights.

202. And I presume, when you were dealing with this particular question, you had before you the whole of the Report of Sir William Harcourt's Committee, which dealt at great length with this question of back dividends?—Yes, and the legal opinions that were laid before the Committee on that occasion.

203. And having considered that you inserted this clause as a compromise of this very difficult question?—Yes; three of the companies of course it does not apply to, because they are already paying their dividend. The West Middlesex is making a rebate by reason of its being over the statutory amount.

204. The next matter is that the arbitrator shall not make any allowance "in respect of any assumed future increase of the rateable value of buildings and hereditaments within the Lambeth Company's district other than an increase due to alterations or additions involving increased supply of water." Of course, within the metropolis valuations are regulated by the Assessment Act of 1869 which provides for quinquennial valuations?—Yes.

205. And no such Act prevails outside the metropolis?—No. In fact as to the police rate, which is a rate assessed by the Receiver General over the whole of greater London and runs throughout uniformly, and is supposed to be evenly assessed, recently the Receiver General found that in one part of the outer part of the county, the annual value was put down at such a very low figure that he would not accept it for his rate, and he had that portion of the area reassessed for the purposes of the rate.

206. Do you find that within the metropolis there has been a very large increase, taking property as a whole on each of the quinquennial valuations?—We have had it analysed, and the annual increment of the same properties in the same conditions without any additional building or outlay whatsoever, is at the rate 250,000*l.* a year.

207. Do you find that the water companies therefore are able to increase their charges every five years, although the property on which the increased charge is made, may be actually taking less water than it previously was doing?—Yes, and that is very often the case in certain areas. Take a west-end area, the annual value of which has nearly always been increasing for a great number of years, and will increase; the class of

Mr. *Freeman*—continued.

persons occupying the larger and better houses in the west-end now under modern conditions live less in London, and are more absent for a longer time; yet whether their consumption of water is much or little they are still charged upon the quinquennial valuation rate although they may not take another drop more water than they did before the quinquennial valuation was made.

208. Of course, ever since the year 1869, the water companies have had the benefit of these increases under the quinquennial valuations?—Yes.

209. Do you think it is fair that this suggestion to the arbitrator should be made that he should not make allowance for increase on future quinquennials, unless in respect of outlay by the company for water?—That we consider was a fair and proper standard, and we do not understand why the area inside the county should be assessed and rated, and water rented at a different standard to that outside the county, the more so as the increase of population, as to which this water question has arisen, must necessarily take place outside the county, because inside the county there is very little area now that is not already covered and inhabited; and if the Royal Commission statistics are to be accepted of eleven-and-a-half millions of population by 1,931, that increase of six millions must necessarily be in outer London, which will be assessed on the outer rental annual value system, and not on the quinquennial high standard valuation prevalent in the metropolis.

210. I think that gives the views of the council upon that point. Now, if you please, take the last paragraph of that proviso: "And no addition shall be made to the fair and reasonable value of the undertaking in respect of compulsory sale." As no doubt the Committee are aware, under the Lands Clauses Act, although there is no provision in the Act, an allowance is frequently made in respect of property being compulsorily taken?—Yes, that has grown up as a custom. The matter was very much discussed in the question of compensation on the Housing of the Working Classes Commission of 1880; and it was again discussed before the House of Lords recently on the inquiry that they had into the subject of Betterment. Objection has always been taken to this custom being allowed to perpetuate in the cases of public authorities.

211. In this case, do you find, from the actual facts and history, that the companies are themselves willing sellers?—Yes.

212. They were at the time of the bargains made by Mr. Smith, which were afterwards brought before Lord Cross's Committee?—That is so.

Mr. *Cripps.*] We join issue on that.

Mr. *Freeman.*

213. Of course, I do not assume my learned friends agree with it. I am merely putting Mr. Harrison's views as representing the County Council. (To the *Witness.*) Do the council consider that this is a case where, if a fair and reasonable value is paid to the company, there should be no further addition any more than there

is

Mr. *Freeman*—continued.

is in the housing of the working classes?—Yes. Although it has grown up as a custom there is no law giving it, but there are laws in many instances—the Housing of the Working Classes Act and the Parish Councils Act, and other Acts—which expressly in words prohibit the 10 per cent. clause being given.

214. I have only one or two matters to ask you about, which are specifically alluded to in the Petitions. First of all, is the scheme of the Bill as regards debenture holders to buy up the entire concern at its fair value, and then to protect the debenture holders so that they shall be properly paid off with the whole of their interest?—It is; but before you go to that, might I add on the 6th clause that we desire the arbitrator should be in the position of a Committee of the House of Commons, so that these questions may be considered by him. With the exception of that proviso there is no direction here. If a Committee of the House of Commons were a tribunal capable of sitting down and filling in the figure as well as the principle of the purchase, they would have all these matters before them and would consider them, but if it simply put as a purchase under the Lands Clauses Consolidation Act, those considerations would be excluded, the considerations merely of the subject.

215. In other words, do you desire that the arbitrator should be untrammelled by the Lands Clauses Act, but should continue to consider the whole facts of the case precisely as if it were a Committee of the House sitting on it?—Yes, we consider it should be a tribunal sitting as a Committee of the House of Parliament.

216. You were saying that as regards the debenture-holders you provide, or intend to provide, in your Bill for their absolute security?—Yes. I have had great trouble about this, and having had great dealings with companies and capitals, I say this: The scheme of the Bill is that as the undertaking is vested in the council, the purchase-money shall be the purchase-money for the entire undertaking, and that then out of the total cash representing the purchase-money there shall be attributed to the debenture capital or credited to capital, whether it is loan or debenture, whatever is fair or proper as representing that portion of the debt, so that their rights shall not be impaired pecuniarily or otherwise a single farthing, and that then the balance, which is left out of that cash purchase-money will, of course, be appropriated to the shareholders for division. In the frequent schemes under the Railway Acts and others for re-organisation there is no difficulty at all. The councils are not making two bargains—one with the debenture-holders and one with the shareholders; they are buying the complete and entire undertaking just as if they were purchasing property for a street improvement. They buy the property, whether it is subject to mortgage or not; they pay the money into court or to the sellers, and out of that total price for the purchase every mortgagee's right is fully protected—he is fully paid, and it is immaterial to the council in what form those clauses are framed so long as that result is attained. We have endeavoured in these clauses to provide that the debenture

Mr. *Freeman*—continued.

stock, which is a 4 per cent. stock, must absolutely be secured—that the holder should be paid the price ascertained by arbitration if necessary at a fair value during the last financial year of the Lambeth Company preceding the deposit of the Bill. You will find that at line 20, Clause 11.

Mr. *Rigg.*

217. Will you kindly repeat that?—I say the scheme is framed on the principle that out of the purchase-money the debenture stock holders should be paid the fair value of such debenture stock ascertained by the arbitrator during the last financial year of the Lambeth Company preceding the deposit of this Bill. Then the balance will belong for division amongst the shareholders according to their different classes. But if those words are not sufficient it is immaterial after we have paid the purchase-money how it is divided between the mortgagees or creditors, and if Parliament desires to add any further words to protect their interests the council will not make the slightest objection.

Mr. *Freeman.*

218. Some of the petitions raised the point that under the scheme of the Bill you propose to transfer the undertakings of the companies to the council, although the actual moneys may not have been paid. Is there any difficulty or risk in that under the circumstances?—No; none. The London County Council stands in a special position as regards money. The Money Bill is an annual Bill, and has to be introduced into Parliament, with the sanction of the Treasury, each year, and every year the unexhausted borrowing powers are all surrendered, and powers are regranted to the council. There would not be the slightest difficulty at all if the Transfer Bill goes through in providing in the Money Bill that necessary stock should be raised for the purpose of carrying out the purchase. The rateable value is something like 33 millions; the nett debt of the council on that is between 17 millions and 18 millions—about half a year's purchase. The security is most ample.

219. That really sufficiently deals with that point, which is not one of much importance. I want to ask you this in conclusion. In your opinion, speaking on behalf of the council, if these undertakings are transferred as is proposed by the Bills to the council, will it involve a very considerable administrative saving in the management of their affairs?—We think so. We have been carefully into that question, and, of course, have had the advantage also of comments of the public press and in papers by Mr. Wilson and others; they one and all agree with us in our estimate of very great economy being capable of being effected if they were under one management.

220. I think all that was summarised, was it not, before Sir William Harcourt's Committee?—Yes.

Mr. *Freeman.*]—I do not know at the present time that I need go into it in chief, but I will leave it to one of my learned friends who desire to raise it in cross-examination. I think that is all I have to ask you at this point.

221. I want

Cross-examined by Mr. *Pember*.

221. I want to ask you one or two questions on behalf of the West Middlesex Water Company, for whom I appear. Of course, when the London County Council seek to become the water authority for London they mean for the whole of London?—Certainly; when they have acquired the undertakings they will be the water authority for the whole of London.

222. No, no. Do you seek to be the water authority for the whole of London, or do you not?—Certainly, by these Bills.

223. I quite understand that; and when you make yourself the water authority for the whole of London, do you admit also that along with that should go the necessity for purchasing all the undertakings of the eight companies?—Yes, either purchasing or making arrangements. If we can effect a purchase we should on fair and reasonable terms.

224. Do you contemplate constituting yourself the water authority for London without purchase; if you cannot get such terms as you like, do you still contemplate you are entitled to become the water authority for London?—Certainly.

225. You do?—Yes.

226. If you do not get such terms as you like?—If we do not get what are considered fair and equitable terms as is proposed by what we have already submitted in these Bills.

227. Do I understand this: that unless you get your way about the Arbitration Clause (for that is what it comes to) you claim the right to drop all the Bills and still become the water authority for London?—I do not know what may happen; it will depend upon the passing of these Bills.

228. What will depend on it?—The future course of action.

229. Then on the fate of these Bills surely must depend the fact whether you become the water authority of London or not?—No, we only become the water authority for London by the transfer of these various undertakings and their being vested in council.

230. Then it comes to what I say: unless you buy these undertakings you will not be the water authority for London?—That is obvious.

231. It has taken some time to make it so. That being so you are now going on with two Bills, and two Bills alone?—No, we are going on with all the Bills as hard as ever we can go.

232. Are you?—I hope so.

232A. Then why did you get Parliament to postpone the second reading of six out of the eight if you are going on with them all as hard as you can go?—For a very good reason; it is no good to put them into this paper and have the attendances of the parties at great cost while the Committee is engaged on these Bills.

233. Whatever we do, do not let us play with one another. What party would have to be present if all these Bills were being proceeded with who are not here now?—All the parties.

234. Is not everybody who opposes any one of the Bills here now?—No.

Mr. *Pember*—continued.

235. Who is not?—I do not think any of the outlying authorities are present on this occasion.

236. Is Hertfordshire here?—I do not know.

237. Do you not?—I do not know.

238. Seriously, do you not know?—I really do not know.

239. Do you mean to say you have not troubled yourself to find out?—I have not read the appearances.

240. You have not had enough interest in it to read the appearances?—No.

241. Will you take it from me that Hertfordshire is here?—Yes.

242. Will you take it from me that Middlesex is here?—Yes.

243. Will you take it from me that Kent is here?—Yes.

244. And Surrey you have settled with?—All Surrey.

245. They were here?—No, they did not appear by counsel—we agreed.

246. At all events, it would not make anyone that is not here now a necessary party to any of these proceedings if all these Bills went on?—There are appearances and appearances. It is one thing to appear, and another thing to appear hostilely.

247. Once more, do not let us play. Do you mean to say if the other six Bills were before the Committee at this moment that Surrey would be more in the room than it is now?—No; certainly not Surrey.

248. Is Essex here?—If you tell me it is I take it from you.

249. And you will take it from me that all the eight water companies are here, I suppose?—I daresay.

250. What other party who is possibly concerned in the matter could be represented before the Committee?—It is not for me to say what course the Committee will take with regard to the interest of Essex in a question with regard to conditions affecting the Lambeth and Southwark and Vauxhall Bills, but the fact is known that we have settled with the outlying authority in Surrey, and that we are already in negotiation, and have been for some time, with Essex and other County Councils for the settlement of their areas, and the conditions of each company, as I have already pointed out, are so totally different and so totally separate that I think the mode in which the outlying authorities may be treated in one case and in another may be upon a totally different basis.

251. Possibly. Then would it not have been perfectly simple to bring them one by one into the room to discuss their own particular circumstances with regard to each Bill one after the other?—That is just what is being done by treating these Bills as they are being treated—namely, as separate Bills for separate undertakings, the consideration of which undertaking can alone be the subject of investigation, although there may be some principles common to all of them.

252. Does it not occur to you that there is this danger of which a good many of us are afraid: that if you get these two Bills you may drop the other six?—I will promise you not.

253. You will?—Yes.

254. Have you any objection to see a clause put

Mr. *Pember*—continued.

put into each of these Bills to the effect that you shall not complete the purchases of them until you have given a valid notice to treat to each of the other six companies?—I should object to that clause.

255. Why, if you are serious and honest?—I am perfectly honest, but I object to them. I object to suspend the operation and the working out of the Act by the mere accident that any one Bill was excluded by reason of Parliament not being able to get through the business in time.

256. Does it not occur to you that you might have proceeded for the purchase of the whole eight companies by one Bill?—That I am quite clear you could not.

257. Why?—I think I have given the reasons in my examination-in-chief.

258. I daresay—I know what they are. You say the circumstances of the various companies are different?—Totally—the charges and everything—I think I have adduced very many reasons.

259. I know you have, and I know what they are perfectly well. But now let me ask you this: If it were impossible to proceed for the purchase of all the eight companies by one Bill how comes it that all the eight Bills are absolutely identical in terms?—No, they are not, excuse me.

260. Will you show me any difference in them?—Yes.

261. The New River is different to some extent, I know?—I will take this very case. You will find the Lambeth Bill is not the same as the Southwark and Vauxhall Bill.

262. How does it differ?—I will tell you in a moment.

263. And yet you can take them together?—Yes.

264. What is the difference between the two Bills?—I will tell you in a moment, if you will allow me.

265. Which is the first difference?—I will tell you in a moment, if you will allow me to refer to the Bills.

Chairman.] Let me have a copy of the Southwark and Vauxhall Bill.

Mr. *Pember.*

266. (To the *Witness.*) Can you tell me which is the first clause, which differs, Mr. Harrison?—I do not see any difference.

267. Now we will take any other Bill except the New River—will you show me any difference between them and the Lambeth?—My impression is that the difference consists——

268. No, I want to see what they are; let us have the Bills and look at them. It was so absolutely impossible to draw one Bill for the eight companies. Now, I want to see where the difference between the eight Bills lies, and I would rather see the Bills; which would you like to take, I do not care which you take?—My impression on which I gave the answer was that those that were subject to the Act of 1847 and incorporated the Act of 1847 were treated differently to those that did not.

269. How many do not incorporate the Act of 1847 out of the eight?—There is one—the New River—Part II.—it is not at all in.

Mr. *Pember*—continued.

270. I knew you would take the New River, because I asked you not; but I do not say you are not justified for that reason. But there is one special fact about the New River which might have been met by a clause about its land, and so on. Now, what company is there, except the Lambeth, that does not incorporate the Act of 1847?—I think that with the exception of Lambeth and Kent they are all exempt from Clause 35 of the Act of 1847.

271. Quite so?—That is the whole point relating to competition.

272. Do you mean to say the fact that Lambeth is not exempt from one particular clause of the Act of 1847 could not have been met by a clause in a General Bill?—No, you will find in the East London again there is a difference, because in Part II. there is an amendment of the Acts.

273. But do you mean to say you could not have met minor differences of that kind by one Bill?—No, we do not think they are minor differences.

274. Do you mean to say they could not have been met by a clause?—No.

275. Take any Bill you please, and show me how many clauses are altered in the Bill which you say differs from the Lambeth, independent of the points you are now suggesting to the Committee—how many clauses in the Bill would it involve alteration of?—It would involve the introduction of Part II. in the New River and Part II. of the East London.

276. They are the same. Part II. is the transfer of the undertaking by agreement?—No, Part II., you will find, is not in those words.

277. Part II. is "the Lambeth Company on the one hand, and the Council on the other, may enter into any agreement for the sale and transfer?"—Yes, Part II. of the Lambeth is totally different.

Chairman.

278. Will you let us know exactly in what position these Bills are? As I understood you to say, they were read a second time in the House of Commons, but were not read a third time?—They have been read a second time, and postponed until the 13th June, until it is seen what progress is made with the Bills before this Committee.

Mr. *Pember.*

279. No; the second reading is postponed to some day in June?—Yes.

Chairman.

280. As I understand then, they have been read a first time and the second reading postponed until the middle of June?—Yes.

Mr. *Pember.*

281. By the action of the County Council. (To the *Witness.*) I do not think it is any use you and I taking up any more time about this. I have asked you to point out the differences in the various eight Bills with a view of showing, if you can, why those differences could not have been

Mr. *Pember*—continued.

been accommodated if you are really in earnest in buying the whole eight?—There is no doubt about our being in earnest. The conditions as to the incorporation of Part II. vary in each of the cases with regard to the wording of the 35th section of the Act of 1847.

282. Is that the only difference you can point out?—That is, in substance, the only difference in words.

Mr. *Pember.*] Then I will deal with that when I come to speak. Before I cross-examine the witness any further if it were not otherwise inconvenient to the Committee, I should rather like to ask them whether, having regard to the declaration they made to the effect that they intended to abide by what they considered the earlier decisions of Parliament, namely that there should be one water authority for the metropolis, that prevents one from going into the question whether there should be purchase at all or into the principle of purchase.

Chairman.] I do not quite see what you mean.

Mr. *Pember.*] I mean this, sir. Of course the water companies, four of whom I appear for (and I think I am practically speaking for the moment for all of them) protest against the compulsory purchase of their undertakings, and they would be prepared, of course, to discuss that principle as not parliamentary if Parliament were ready to discuss it; but I rather gather, from the decision which the Committee said they had arrived at, that they did not consider the question of whether the works should be purchased on some terms or other, or by some body or other, is open to question.

Chairman.] I never heard of any other means of making one central body for the purpose suggested except that of purchase; and therefore, as far as I know, you must accept the principle of purchase as included in the decision which we have given.

Mr. *Pember.*] Thank you, sir; I bow to that decision.

Chairman.] Unless you can suggest some alternative method which I have not heard of.

Mr. *Pember.*

283. I bow to that decision. The only thing I wish to make clear is that all the companies for whom I appear (and I think I may say the whole of the eight) are unwilling sellers, and must be treated as such. That being so, I must go to the question of the details, I suppose. (To the *Witness.*) I take it as your distinct declaration that the County Council do not intend to purchase one or two of the companies, but intend to purchase all if they purchase any?—Certainly.

284. Then, if that is so, why cannot you make that perfectly clear, and make it perfectly certain, both to the companies and to Parliament, by submitting a clause which would say that you shall not complete one purchase until you have given a valid notice to treat to all?—Because I think that would stop the working out of the purchase.

Mr. *Pember*—continued.

285. Why should it?—There are very good reasons why. Supposing Parliament had not time this Session to pass the whole of the eight Bills, and investigate all the matters appertaining to all, and, in consequence, supposing all the eight Bills should not pass in one Session, then it would stop the proceeding with carrying out the purchase. It is almost physically impossible, I should say, to conduct eight references at the same moment of time.

286. Would you mind stopping for a moment, because I cannot carry more than two or three things in my head at a time?—Therefore there is no reason why a system which is complete with regard to the southern side of the Thames should not be proceeded with, and next year, if we can get the Bills through, or even this year, it can be proceeded with——

287. I think I have gathered enough to see this, that you give two reasons why there should not be such a clause: first of all, that you might not be able to get your other Bills through on the same Sessions as these two?—Yes.

288. And the next is that you could not conduct six references at a time?—Yes.

289. We will suppose that these two Bills are fought out, which I hope will not be the case, would not they decide the principle for all the other six, so that the other six would go with the greatest possible rapidity?—No.

290. What sort of thing would be left undecided?—I can quite understand this: that there might be valid objections by the companies, or some of them, as to some of these considerations which are suggested should go before the arbitrators, and which, in their case, ought not to be made the subject of inquiry.

291. But they are all here to discuss that clause now?—No they are not.

292. Indeed they are. There is not a company out of the room. I think you will find, before you are done, they will all discuss it?—The conditions with reference to the water—its supply, its condition—drawn from the Thames may be totally different from that which is drawn from wells in Kent.

293. But that is a matter for the arbitrator?—I can understand that Kent might object very seriously to some of the conditions, and that they might be matters which ought not to be inserted in their case. It requires investigation of the conditions as to each of the undertakings.

294. Let me ask you this question, to which you can answer yes or no, and I am sure it will be a relief to you to do so. Are not the conditions which you suggest the arbitrator should take into his consideration exactly the same in all the eight Bills?—We ask for—Yes.

295. Would it not be perfectly possible on one of these Bills—the first one—the Lambeth, therefore for each of the eight companies to say all that they have to say upon the matters that you suggest the arbitrator should take into consideration?—No, because it requires an investigation of a totally different set of matters—sources of supply powers.

296. But what has that got to do with it? The arbitrator will consider that. Say that the Kent water is the purest in the world, say, if you

Mr. *Pember*—continued.

you like, that the West Middlesex water (which is one of the companies I appear for), or the East London or the Grand Junction were all the worst, how would that make Kent differ, except in this way, that Kent would be safer before the arbitrator than we should?—Then, of course, if the eight companies are agreeable to be bound absolutely by these conditions throughout.

297. That is plain—that is what I object to. You know that is plain?—But they are not.

298. Then, as I understand, you take those arbitration clauses as the main reason why there might be a very long period of time occupied in the discussion of the eight Bills?—Certainly.

299. That is your main reason, is it?—That is one reason.

300. Give another; what else is there in the Bills that after the principle has once been established on the hearing of one Bill, which would not practically decide it for all the other seven?—I cannot tell you about "practically," because I do not know what influence the passing of this Bill might have on the other companies. It is very possible that if this, and the Southwark and Vauxhall Bills were passed and settled, it might have such an influence as to induce them to agree and come to terms.

301. In other words we quite understand what you mean; you put it euphemistically that the passing of these two Bills might have such an influence that the other companies might be more ready to—and then you stop; I will add the words "come in"; in other words, the passing of these two Bills might be a pretty pair of screws to apply to the other six companies?—No, I do not see that at all.

302. You say that is the only clause in the Bill which you can conceive as seriously occupying time in discussion as to the other six; now as to the references; suppose that your eight Bills pass this year; that is the other reason you gave me you know for not going on with the purchases at the same time and in one Bill?—I did not assign that as a reason.

303. For not consenting to a suspensory clause, I agree?—Yes.

304. Now you say you cannot take six references at once; supposing all the eight Bills were passed, you would be obliged to have references one after the other, would you not?—Of course we should proceed as fast as we could, but I do not think the water companies or the Council could possibly in one year get through eight contemporaneous references.

305. I know they could not; but I say, supposing the eight Bills were passed, you would be obliged to have eight references, one after the other?—Yes.

306. I presume you would have the same board of arbitrators for the eight, would you not?—I presume so, and their time alone. In investigating one set of companies' claims coming from the Thames their investigations would have no relation to or assist with regard to the others.

307. We quite understand that there would be eight separate references?—Yes, and they would have to go over the work again.

308. Nothing that took place on one reference would have the slightest effect on the other seven?—I do not think it would.

309. That being so, all I suggest to you is not that you should proceed with all the references together, and should not buy one company, until you had heard all the eight references out. All I suggest to you is that you should not proceed with the purchase of one company until you had given a valid notice to treat to the others.

Chairman.] It is from my inexperience of these matters probably, but I do not know exactly what the effect of a valid notice to treat would be.

Mr. *Pember.*

310. It would enable the other companies to say, "Now you shall buy us"; it forms a contract. (To the *Witness.*) A notice to treat can be written in a very few minutes and posted in a penny letter?—Under the Lands Clauses Consolidation Act——

311. But we might have a notice to treat even if we did not have an arbitration under the Lands Clauses Consolidation Act; so you will not catch me there?—I have not the slightest objection if these conditions are accepted to give a notice to treat, and purchase on those terms.

312. We will not play; all we will say is, whatever may be the terms settled by Parliament, that the other notices to treat shall be given before one purchase is proceeded with; now I should like to go through with the terms of the arbitration clause which you propose; I see that you have got a sort of heading to the clause which is to this effect: "The consideration to be paid by the Council for the transfer of the undertaking if determined by arbitration, shall be such sum of money as the arbitrators determine to be the fair and reasonable value of the undertaking, after allowing for the liability involved in regard to the debenture stock, and having regard to all the circumstances of the case." Why did you not stop there? That would have enabled an arbitrator to go into every question for and against the value of the undertaking of the company, would it not?—We are advised not.

313. Who advised you not?—Our Parliamentary and legal advisers.

314. The Parliamentary adviser we know; who is your legal adviser?—Our solicitor.

315. Who is your solicitor?—Mr. Blaxland.

316. Is that advice in writing?—No.

317. Then there is no written case submitted to him?—No.

318. Then you have not gone to counsel?—We had the advantage of having counsel present on our committee advising us.

319. Who was the counsel?

Mr. *Freeman.*] I advised them on this subject, certainly.

Mr. *Pember.*] Did you have a written case put before you?

Mr. *Freeman.*] When I go into the box you shall cross-examine me.

Mr. *Pember.*] I am quite certain, Sir, that you know as well as I do, and probably better, that when a witness in the box says, "I had legal

advice to a certain effect," we are entitled to ask for the written case, in order that we may see first of all what the opinion was, and secondly, the case which was stated, which led to the counsel giving that opinion. Now I understand not only that there was no written opinion given, but that there was no written case at all.

Mr. *Freeman.*] Of course, on this point, anything my learned friend Mr. Pember desires to know as to the legal advice will be given by the parliamentary agent, who will go into the chair and explain everything. There is nothing that we desire to keep from my learned friend.

Mr. *Pember.*] That I have my own opinion about.

Witness.] We acted also on the view of Sir Richard Webster, the late Attorney General, who I presume has the greatest possible experience, who said on the second reading of these Bills, that unless these conditions are inserted, no arbitrator would take them into consideration, and more than that, that he ought not to take them into consideration.

320. Stop a minute. What a gentleman, I suppose, not unimbued with political experience, may say on one side of the House of Commons, might not be a legal opinion?—But he speaks with his experience.

321. But long after you had done it, you did not act on that advice, you know?—No; I say I agree with that opinion.

322. Now we will go through step by the matter in your arbitration clause. The first thing which I see you say is that "the Arbitrator is to consider the condition and state of repair of the reservoirs, filter-beds, filtration arrangements, wells, mains, conduits, pipes, machinery and plant of the Lambeth Company." Do you put it to me, of course it goes without speaking that you are a lawyer yourself and a gentleman of much experience, that any arbitrator could consider the circumstances of the case with the view of seeing what money ought to be paid to the purchaser of one of these undertakings without taking into consideration, and the fullest consideration, the condition and state of repair of their various apparatus?—Yes.

323. Did you really say yes?—Yes, I did.

324. That he could fix the value without ascertaining as well as he could, that?—Will you allow me to answer.

325. But do you really say yes?—Yes, I do really.

326. Now what do you say?—If you will be kind enough to read on it is, "Together with any liabilities or obligation in connection with their undertaking which the Lambeth Company may reasonably be required or expected to incur." That is not a consideration arising from the existing state of things, but to have regard in considering the condition with respect to that state of things which may "reasonably be required or expected to incur," namely, for instance, their having to supply a large outside area whilst at the present time they have got but a very small unexhausted balance of water supply from the Thames, and may have to go to other sources for obtaining that supply. It is the investigation of the existing state of works

Mr. *Pember*—continued.

and the repair of reservoirs, &c., having regard to the future wants that they may be called upon to supply, rather than to those which they are now under a legal liability to supply, which are totally different things.

327. You deal with all that under separate heads. I am taking you step by step if you will allow me to do so, and I ask you whether it would not be absolutely impossible for the arbitrator who was taking into consideration the circumstances of the case to do otherwise than consider the condition and state of repair of the reservoirs, filter-beds, and other matters forming the apparatus of the company?—Yes, but that is not the clause.

328. I did not say it was the only part of the clause; I am going to the rest. But would not he be bound to do that?—Of course, if you stop there.

329. Of course he would. Now we will go on, if you please, Do you mean to say that he would not be obliged to consider any actual liabilities or obligations in connection with their undertaking which the company might "reasonably be required or expected to incur"?—No, he certainly would not. The obligations that he would be under would be only to take into consideration those that were *de facto* existing, and he would not be entitled and would not in fact, in my opinion, nor, as we are advised, take into consideration the future wants, the future supply, the future calls that might be made on the existing works; and this provision is that he shall consider the state of the existing reservoirs and works with reference to those liabilities which may reasonably be expected to be put upon them by Parliament in future years were they to continue to be in their present state.

330. Let us suppose, to test the value of all this, if there were an arbitration clause, the terms of which ceased with the words "circumstances of the case," you would expect, would you not, that the companies would claim, not only for present, but for prospective value?—I do not quite follow you.

331. If the arbitration was one which would be conducted under such circumstances as would be involved in the arbitrator having regard to all the circumstances of the case without any further direction, you would expect, would you not, under those circumstances that a company would claim something for prospective value as well as the present value of its undertaking?—Oh, yes.

332. Now if it claimed prospective value, would it not immediately become absolutely necessary for the arbitrator to take into consideration "any liabilities or obligations connected with their undertaking which might reasonably be required or expected to be incurred," which would minimise the possibility of their having any prospective value at all?—Yes, the prospective value being limited, would be limited in that inquiry to the prospective value arising from the *de facto* state of things, and it would not.

333. Stop a minute, we can go a step further. It would be limited, would it not, by the liabilities or obligations in connection with their undertaking,

Mr. *Pember*—continued.

undertaking, which they might "reasonably be required or expected to incur?"—No.

334. Would it not?—No.

335. Just think for a moment, supposing I said for any one of these companies "my income is 100,000*l.* a year now, and it will be in the course of the next 10 years 120,000*l.*, I must be paid for the chance I have of making that extra 20,000*l.* a year." Would it not be absolutely impossible for the arbitrator to avoid taking into account as against that possibility of increase of income the fact that I might have to spend two, or three, or four, or five hundred thousand pounds to earn it?—Quite so, but that does not deal with what may "reasonably be required or expected."

336. Why not?—For this reason, that would be wholly irrespective of the wants and the liability which might be imposed by Parliament on a company who says: "I am in possession of my works, and am willing to supply the outside area, if Parliament will give me those additional powers of supply."

337. To supply outside my area?— No, outside the county I am speaking of, but inside your area.

338. Inside my area I am bound to supply, am I not?—You are bound to supply quoad, and only up to the distribution of water which you have legal power to take, but that does not take into consideration the state of the works with regard to the prospective or possible liability that you may be under to adapt those works to the increased demands which the population made upon them.

339. I will take you even upon that ground. Do you mean to say the arbitrator would not be bound to consider whether or not my works were adaptable to a larger supply than I was giving at present?—No, certainly not.

340. If that is your opinion, I will not pursue it?—I am quite clear about that.

341. I notice all through you used the words constantly of "probable and improbable"?—Very likely.

342. Do you intend to tie the hands of the arbitrator by the use of those words?—I do not consider those directions tying the hands of the arbitrator at all; they allow him to go into the matter irrespective of any legal objections.

343. It is to consider the legal powers of the Lambeth Company to take water?—Yes.

344. And the probability of such powers being limited?—Yes.

345. Why are we to take it for granted that the limitation of those powers is probable, why is he to take it for granted?—Unless he was satisfied that they would remain left by Parliament for all time unmodified, no doubt then he would not take them into consideration, but he would under this direction have to consider whether it was reasonable and probable that the charges for the year 1834, charges fixed when the population and condition of things was totally different, should remain or be altered or reduced to the 1852 charges.

346. You do not keep to my question. I am not at the present moment talking about charges at all. I am on the second of your sub-clauses

Mr. *Pember*—continued.

which refers to legal powers to take water, and not legal powers to charge. Kindly attend to me. Do not you think that it has nothing to do with the arbitrator? Do you think the arbitrator ought to consider whether or not the legal powers which the Lambeth Company have to take water are probably going to be limited?—I think he ought to have the power to enter into that consideration; what value he may attach to it is another thing.

347. Let us see what you mean by it?—What I mean by it is this: It began drawing in water on the tidal portion below London Bridge and Vauxhall; that was moved and shifted up to Kew, and Parliament said, now the river has become so polluted, that will not do, you must go still higher. With the population increasing and everything else, it may be that the condition of things where they are drawing their water from is now so bad that the probabilities are Parliament may say, "You must shift further up or go to some other sources of supply."

348. And the arbitrator is not merely to consider whether that is possible, but he is to take it for granted from the terms of your arbitration clause that it is probable?—No.

349. You say he is to take into consideration the probability of such powers being limited?—Yes.

350. If you want to be fair why not say "possibility"?—It is governed by this: "In determining the fair and reasonable value he is to take these matters into consideration."

351. Quite so; why are you to tell him that the limitation of the legal powers to take water will probably be limited?—We do not; we allow him to take it into consideration.

352. But you call it a probability; let me see how far you go; I wonder whether you see that according to your contention, if you succeeded before the arbitrator, we should get nothing at all. You do not allow him to take it into consideration; you compel him—you say he shall take into consideration the probability of such powers being limited; supposing you succeeded before him, and he made up his mind, after listening to your evidence, that what you have just now suggested is a fact looming in the distance, does it not occur to you that we should get nothing for our undertakings at all?—No.

353. There would be no value in them if he is to consider the probability of power to take water from the Thames being withdrawn by Parliament at any distant date; it is tantamount to saying that all the money they have spent on taking water from the Thames would be wasted?—That would not be so, because the whole question would be this: If he was satisfied by the case made that that would be the result, it would involve his discounting the outlay that it might necessitate to get water from some other source, and he might have to abate, and would mentally possibly abate, a portion of the purchase money, in consideration of having to undertake that outlay in going to a new source.

354. Now can you point out to me a single precedent in which, if an undertaking has been sufficient for present purposes, an arbitrator has been compelled in an arbitration clause to con-

Mr. *Pember*—continued.

sider whether, in some dim, or distant, or uncertain future, a change might not occur which would make it valueless; do you know of any such precedent?—I know of no precedent, because I know of no case similar to this.

355. Then you do not know of any precedent?—I only say the precedent is the precedent of past legislation with regard to water companies by shifting from time to time the source of intake from tidal to non-tidal water, and then still further up.

356. Then am I to understand that what you really do mean by this is that a company which has been authorised by Parliament for many years to take its water from one particular source is to be treated as a company which may be absolutely prevented by Parliament any longer from taking its water from that source?—No, I do not say "is to be treated," but I say the arbitrator is to take into consideration.

357. The probability of its being so treated?—Not a bit; if the case is made out he is to be at liberty to have regard to that circumstance.

358. Excuse me, there is no liberty about it. It is "the arbitrator shall have regard to the following circumstances;" it is not "may," it is compulsory; now the next is, "The adequacy and efficiency of the present sources of supply and of the reservoirs, filter beds, filtration arrangements, wells, mains, conduit pipes, machinery and plant of the Lambeth Company to meet their present and future requirements." How does that differ from the first sub-section; how does that differ from "the condition and state of repair of the reservoirs, filter bed, filtration arrangements, wells, mains, conduits, pipes, machinery and plant of the Lambeth Company, and the possibility of future expenditure thereon;" how does it differ from number one, for the life of me I cannot see; I grant you the verbiage differs slightly, but how does it differ in any other way; I suppose from the time you take in answering I may take it it does not differ?—It has nothing to do with it; it has to do with the efficiency of the present source of supply.

359. And of the "reservoirs, filter beds, filtration arrangements, wells, mains, conduits, pipes, machinery and plant"?—Yes; what for: with a view "to meet their present and future requirements"; it is quite a different thing.

360. Do you mean to say any arbitrator who is taking into consideration all the circumstances of the case, would not be bound with regard to the present value of the company, to say whether or not its sources of supply and its apparatus were adequate to meet its present demands?—Present: Yes; but not future requirements.

361. I said "present" carefully; now we will come to the question of the future; if they were asking for the prospective value of their undertaking would not the arbitrator have to take into consideration the same things, with a view to seeing whether they were adequate for future requirements?—No, because in one case it would be limited to the requirements which could be legally put on the company, having regard to their powers and statutory amounts of supply, and in the other case the future requirements would be such requirements as, having regard to all the circumstances of the case, might be imposed upon them.

Mr. *Pember*—continued.

362. But future requirements means the requirements for the purposes of supply to their district, does it not?—No, of their water area.

363. Are they not bound to supply their water area?—No, because the moment they get outside the county the very fact that they are unable or unwilling to supply, entitles the local authority to establish its own supply, and they are under no obligation at all legally to supply, although demanded.

364. What does it matter to them as far as their statutory obligations to supply go, whether the inhabitants in their area are inside or outside the county of London?—For this reason (that is the whole question), if London were supplied and the outside areas were not, I am quite sure of this, that London would be forced to apply to Parliament to get a supply of water, and would be the authority to get that supply for the supply of the outside areas.

365. Are you really unaware of the fact that you are wandering from the question; what I asked you, in other words, was this: Are not the inhabitants of the districts of each one of these companies, whether they are inside the area of the county of London or outside, equally entitled to compel the company in whose area they are to give them a proper supply of water?—No; in the county they are bound to supply, outside the county they are not.

366. Do you mean to say the Lambeth Company is not bound to supply outside the county of London if its works exist there?—No.

367. Will you be kind enough to tell me upon what legal enactment you rely in saying that these water companies are not as much bound to supply water to the inhabitants of their areas outside as inside the county of London; why, the county of London was not in existence when their Acts were passed?—Excuse me, nothing of the sort. It is the same area; all these water inquiries throughout all the statutes has been kept at the same area.

368. I am afraid you cannot understand the question that I am asking you; do you mean to say there is any enactment in any Statute Book which says, that any of the inhabitants of any one of the districts of these companies inside the county of London has a prior right to supply over those outside; do you mean that?—Yes, I do.

369. Then show me the Act of Parliament on which you rely?—I say under the Act of 1871, which is applicable only to the metropolis, you are bound to give on requisition of the local authority constant supply and to keep up that constant supply. That Act does not operate outside the metropolis.

370. Who said it did?—In consequence of that, there is no obligation outside the metropolis to supply. There is a provision in the Public Health Act of 1875, Section 51 and following sections, which give powers the local authority to construct their own works if the company whose area the local authority is within, is unwilling and unable to supply. It has been settled

over

Mr. *Pember*—continued.

over and over again; there is no difficulty about it.

371. You are now playing on the words "constant supply," and confusing it with "ordinary supply." I am quite ready to admit, in fact we all know it is so, that constant supply only applies to the metropolis as understood by the Act of 1871?—Yes.

372. But save and except for the word "constant," a water company is under statutory obligation to supply over the whole of its district, is it not?—Only on requisition in a particular form, and in a particular way, and is subject also to the Public Health Act of 1875.

373. I will take one Act just to show which it is. I will take the West Middlesex Act of 1852?—Would you take Lambeth.

374. I will take Lambeth, if you like, but one is just as good as the other?—No, they are not, because the West Middlesex was in 1852, and exempts Clause 35 of the 1847 Act.

375. I am not talking about the 1847 Act, I am talking about the special liability of the companies under their own Acts. I will read this one first, and you shall read the Lambeth afterwards, "The Company shall cause mains and pipes to be laid down and pure and wholesome water to be brought to every part of the district within the limits of this Act"?—Yes.

376. Is not that in every Act of every company?—Yes.

377. Then very well, what are you talking about?—On requisition, and there is no means of enforcing it.

378. No means of enforcing it?—No.

379. Do you mean to say there is no means of enforcing an enactment which is compulsory upon the company?—Yes. The remedy is given.

380. How can you say there are no means of enforcing it if you immediately talk about the remedy which is given?—The remedy for the state of things is given by the Public Health Act of 1875 which is clear and distinct, and is illustrated in the case of Croydon. That Act in Section 51 gives to the urban authority the power of constructing and maintaining waterworks for public purposes, and before constructing them they are to give notice under the 52nd section to every water company who has a water area in which the local authority exists. It shall not be lawful for the local authority to construct any waterworks within such limits, if, and so long as any such company are able and willing to supply water proper and sufficient for all reasonable purposes for which it is required by the local authority, and any difference as to whether the water company are able and willing to lay on a proper and sufficient supply for the purposes for which it is required, or whether the purposes for which it is required are reasonable, or if, and so far as the charges of the company are not regulated by Parliament as to the terms of supply shall be settled by arbitration in the manner provided in the Act. Now it is under that inability the company are only bound to distribute the water—so much as they are to supply themselves with and to draw—it is a matter of distribution. If they make failure to

Mr. *Pember*—continued.

distribute, then the local authority may, under that Act, and as in fact it has done in Croydon and other districts, establish their own works on account of the inability.

381. Now, Mr. Harrison, have you quite done?—I have.

382. Of course. I need not add that the Public Health Act has no more to do with the question I asked than some Statute passed in Mars or Jupiter. Are you aware that in every one of the Acts obtained by the companies in 1852 that there are clauses analogous or identical with the one I have just read to you to the effect that the company shall cause mains and pipes to be laid down and pure and wholesome water to be brought to every part of the districts within the limits of their Act?—On requisition.

383. Very well, why cannot you say yes—but on requisition?—It is not to the individual person. If I am an individual householder I have no power.

384. In other words a single householder who lived ten miles off and three miles off a high road and a main, could not compel the company to lay him down a main for his special benefit?—No, I must get an agreement from a combination of householders.

385. That is what you mean?—Yes, I must agree to take the water for three years, and the water-rent must be equal to one-tenth of the cost of the outlay. Upon compliance with these requisitions I can get water, but I cannot individually. I mean to say it is all summed up in Mr. Fitzgerald's opinion.

386. You are quite right that they are to take the water to every part within the limits of their Act, whereunto they shall be required by so many occupiers or owners of houses in that part of the district, as that the aggregate amount of water rate payable by them annually at the rate specified in the Act shall not be less than one-tenth part of the expense of providing and laying down the pipes?—"And provide."

387. You never will give one the slightest credit for going on to the end of a thing. That is the condition of the requisition. Now let us go on a little further. "Provided always that no such requisition shall be binding on the company unless such owners or occupiers shall severally execute an agreement binding themselves to take such supply of water for three successive years at least; provided also that the company shall not be bound to provide or lay down any communication pipes for any such supply of water excepting at the expense of the persons requiring the supply; and providing that they shall not be bound to furnish such supply of water or lay down any pipes for such purpose in any part of the district, which part is for the time being supplied with water by any other company"?—Exactly.

388. And if they do not fulfil their duties is it not the fact that they are liable to a heavy daily penalty?—No, they are liable to a heavy daily penalty if they do not supply water in pipes which are laid down. You do not seem to draw the distinction between the liability to lay the pipes and the next condition.

389. Excuse me, I do. I say that the liability

Mr. *Pember*—continued.

to lay pipes is that which is contained in the clause I have just read to you, and when the liability to supply the water when the pipes are laid is contained in the general Act. That you will admit, I suppose. Do you admit that, or not?—Yes, I will admit it.

390. Then we will go to the next clause in your arbitration clause. They are to take into consideration the probable or possible necessity of the future introduction of a new source of supply or new and improved works. With regard to the source of supply let us see what you mean. He is to take into consideration the probable necessity of the future introduction of a new source of supply. I will take that first. Do not be afraid, and suppose I do not see the words "or new and improved works." You are aware that the Royal Commission have said that the present sources of supply of the Thames and the Lea, and the chalk will give London an ample supply of good water for the next 40 years?—Not without conditions.

391. What conditions do you mean?—Making enormous reservoirs at a cost of about 15,000,000*l.*

392. Quite so. But you have said a new source of supply. You do not call that a new source of supply, do you. You do not call the manner in which you take the water of the Thames a new source of supply, do you?—No, I should think not.

393. And you did not mean that, did you?—I should think not.

394. But you know what you meant?—I can only express my own views.

395. But you do not mean that?—I do not think I do.

396. Do you really seriously mean to say that after the Royal Commission which sat two years ago, a Commission for yourselves asked, by the bye, and said that the Thames source of supply for 40 years, that it is fair to force the arbitrator to consider the probable or possible necessity for the introduction of a new source of supply in settling the values of these water undertakings?—I think it is fair to ask that that matter may go before the arbitrator open. I do not say anything about the facts.

397. Now let me go to the next; he is bound to take into consideration the legality of the charges now made or claimed to be made by the Lambeth Company; is he to decide on the legality of the charges now made by any of the companies?—I think he should investigate it, and is not necessarily to be bound by a magistrate's decision.

398. He is not to be bound?—Not necessarily.

399. In other words, if he says, "I think a magistrate was wrong in saying that the Lambeth Company, or any other company, were legally entitled to make a certain charge," I do not agree, "he may decide accordingly"?—Yes, and not only what may be decided by a magistrate, but there are a great number of charges now made which are not, we believe, legally made by the companies, but the public are not able to resist them because of the cost and the expense.

Mr. *Pember*—continued.

400. But surely there have been plenty of occasions on which the water companies have been taken before the magistrates?—Oh, no. I am speaking of, apart from magistrates, the legality of the charges. Take my own case. I objected to a charge and had a long correspondence, but I was not going to litigation for the sake of 1*l.* 15*s.* a year.

401. Then I wonder you took the trouble to have such a long correspondence; but you are a lawyer, and you must have formed a pretty shrewd idea?—I did; and being a lawyer, I thought it was not worth going to litigation for 1*l.* 15*s.* a year.

402. Then excuse me for saying it was your own fault, and no one else's, and you might have been wrong?—I might.

403. He is not only to take into consideration the question of whether the charges are legal, but you propose he should take into consideration the circumstances under which the powers of charges arise?—The reasonableness of such circumstances having regard to the circumstances.

404. So that positively, let us see that I am right, because I do not want to put an interpretation upon your intention which is not just; you propose besides discussing whether the charges are legal, even if they are legal he is to consider whether they are reasonable, and look at the circumstances under which they were granted by Parliament?—Certainly.

405. Now let us understand?—I will explain.

406. I do not want you to explain yet; you shall explain eventually; we want your meaning before you explain?—I will give you my meaning.

407. I shall have it nicely if you answer this question. Supposing that any company were entitled on a certain class of house to charge 5 per cent., and they charged it, and he came to the conclusion that they were within their legal powers, he might say, "I consider, having looked at the circumstances under which the charge was made, that it is an unreasonable charge, and I shall repeal it in settling the value of this undertaking"; do you mean that?—No.

408. You do not?—No, and if you will read the sentence it is perfectly clear. It is "the reasonableness of such charges having regard to the circumstances under which the powers of charge had been granted by Parliament." Now what is meant by that is this, that he is to take into consideration for instance in the Lambeth case, water charges fixed in the year 1834 by an Act with reference to the condition of the then population, and the then duties, and the then circumstances are reasonable, it allows a charge of 7½ per cent. to be made, and he should say whether it is reasonable under those circumstances to allow that charge to be continued so as to base a water rental much higher than if that power were exercised in a reasonable way.

409. That is a very pretty speech; let us test it by a little practical suggestion; I think you said supposing he finds that 7½ per cent. was granted in the year 1834, did you not?—Yes.

410. If he thinks that it is unreasonable that that 7½ per cent. should have lasted until now, do you propose that he should consider that it has

Mr. *Pember*—continued.

has not lasted until now, and that some lower percentage is to be taken in valuing the undertaking?—No. I say this: if it can be shown that when the power was obtained it was represented to Parliament that the maximum should only be a maximum and not always exercised, and a water rental is levied at the maximum, then the arbitrator should have those statements made by the company itself to Parliament before him, and that he should see whether these charges were reasonable, having regard to the representations made by the company itself when Parliament granted those powers to it.

411. Now let us go a step further; what is he to do supposing he comes to the conclusion that they are unreasonable?—He is to have regard to that.

412. Once more I ask you not to play; what is he to do; what is to be the practical result of his coming to that conclusion, supposing he says that 7½ per cent., which you take as an arbitrary figure upon certain houses is unreasonable; what is he to do; is he to say, "I shall treat this undertaking as if they had been only charging 5 or 6 or 4 per cent."?—No.

413. What is he to do then?—He is to take that into consideration as to how far that circumstance affects the future rental.

414. Not the past, then?—No.

415. You do not say that you know; there is no limitation with regard to the future?—"Claimed to be made."

416. No, it says, "the legality of the charges made or claimed to be made"?—That does not go into the past.

417. It does not say anything about the past or the future?—It refers to the future.

418. No; "Now made or claimed to be made"?—That is dealing with the future; the past income has already been realised, and is in the pockets of the company; this is the price to be paid, the future income.

419. In other words, if we are talking about the prospective value of the company, or the value of the company's undertaking, having regard to its future existence as if it was going to live, he is to say, I think 7 per cent. is a great deal too high, it ought to be reduced to 5, and I shall consider the future value of the company as if they had only power to charge 5 not 7 per cent."?—No, he is not to reduce it, he is to regard the reasonableness of it.

420. What is the use of his having regard to the reasonableness of it if he does not act on it?—So he may; it is not arbitrary upon him to reduce, but he will have regard to that circumstance affecting the price.

421. Once more, do not let us play; surely the clause would be absolutely ineffective unless he acted upon it; how could he act upon it unless he treated the charges as reduced?—This is not a direction to reduce.

422. But it is a direction to consider it, and what is the use of his considering it if it is not a direction to reduce?—It is a direction that it shall not be excluded from the inquiry.

Mr. *Pember*—continued.

423. At all events, sir, if Mr. Harrison does not see, you will see that a clause would be perfectly inoperative unless the arbitrator acted upon his opinion and said they were unreasonable, and ought to be reduced. (*To the Witness.*) I will go to the next portion. "The deductions from any compensation claimed by the Lambeth Company which may in the opinion of the arbitrators be reasonably made in respect of any insufficiency of the present storage or filtration of the Lambeth Company, or in respect of the provision of supplementary supplies." Now, have not those been dealt with under that clause which begins: "The adequacy and efficiency of the present sources of supply and of the reservoirs" and so on, "to meet present" and future requirements; have you not already dealt with that there?—I do not think so, it is a matter of drafting.

424. The deductions to be made in respect of works, plant, or appliances which have become wholly or partially useless, and the adjustment of the revenue account of the Lambeth Company in respect of repairs and renewals properly chargeable thereto. Would not every arbitrator be bound to look into the revenue accounts of the company, and to see whether the question of repairs and renewals have not been properly charged thereto?—It may be.

425. Can you conceive an arbitrator carrying on an arbitration without doing so?—No, but when you come to——

426. I am glad to hear you say no?—But when you come to a question of back dividend, for instance, and you have the question of statutory public enactment of the alteration from wooden pipes to iron pipes, the expenditure on the wooden pipes ought not to be taken into account, and without some deduction is made or is capable of being considered under these clauses.

427. Would not an arbitrator be perfectly competent to consider all that under an open arbitration?—I doubt very much whether, in reference to capital which had been rendered absolutely useless by change and so forth, it would be entitled to back dividend, and therefore, in reference to back dividends, he might reasonably look to see whether the expenditure upon capital had been upon that which was useless, and ought not to be taken into account in calculating back dividends on capital expenditure.

428. Then, "The statutory powers of any other company to compete in any part of the Lambeth Company's district, and to rights of any other company or body to supply water in the Lambeth Company's district as now existing under statute or otherwise, or as may be likely to exist in the future." Is it not the fact that ever since the year 1852, with the absolute consent of Parliament, and Parliament has considered the matter over and over again, these companies have been allowed to have a practical monopoly in their own districts, and have not been forced to compete?—No, I know of no such consent of Parliament by any statute or otherwise; and this I do not know, that those in that district have been

Mr. *Pember*—continued.

unable, owing to that proviso in the Act of 1852, to call upon the cheaper company to come into their district and serve them.

429. Was not that proviso, in the clause of which you are speaking, a Parliamentary enactment?—Certainly.

430. Then I suppose it was done with the consent of Parliament?—That proviso gives competition, not excludes it.

431. But I thought you were talking of the proviso in the clause by which they were bound not to compete within each other's district?—Exactly. The West Middlesex for the first time got powers in 1852 to come into another district, but they put in a proviso that they are not to do it when there is another company in possession. The result of it is that the consumer loses the advantage of the competition which the Act itself laid down and proceeded upon.

432. Do you not know (because, if you do not, I will produce the clause and have it read to you. Now, although I propose not to do it at the present moment, but to read it afterwards) that in 1852 a clause was obtained by which the companies are let off, so to speak, the necessity for supplying water in districts where each other supply?—Yes; in the same Act, which carried and gave them the right to carry their water supply into new districts. I say at the same time that that proviso was inserted fresh powers were conferred and new areas were added to the old companies to come into those districts.

433. You spoke of the West Middlesex in 1852. What new district did the West Middlesex get under the Act of 1852?—I will give you the list.

434. Cannot you answer my first question?—You ask me what is the new district, and I will tell you.

435. I ask you what part of the new district the West Middlesex got in 1852?—I will tell you; Putney. The West Middlesex came there by the Act of 1852 on the 4 per cent. rental, and there has been no supply by the West Middlesex ever since that power was granted, and the consumers in Putney have no power to call upon the West Middlesex to exercise that power, because the proviso said if the district was supplied by another company it could not exercise it.

436. I am not versed in the philosophy of the patron saints of Putney, but I do see that they were to supply the parish of St. Mary, Putney, by an Act which was obtained so early as 1806?—And by an Act of 1852 that Act of 1806, I think you will find, was repealed.

437. If it is repealed it is only repealed for the purpose of being re-enacted in another shape?—No, it goes into Wandsworth and Battersea.

438. Are you aware that the companies in that same year, 1852 (and this is the proviso that I keep asking your assent to, and which you have not yet given me), got this proviso: "Provided also that the company shall not be bound to furnish any such supply of water, or lay down any pipes for such purposes, in any part of the district, which part is for the time being supplied with water by any other company"?—Yes, they

Mr. *Pember*—continued.

have that; and it is the insertion of that very proviso that prevents the benefit which Parliament intended.

439. Why?—Because it gave those powers to those companies to carry themselves into the foreign and outlying companies——

440. Do you suppose Parliament passed that proviso with its eyes and ears shut; do you suppose that Parliament did not know the meaning of what it was doing in 1852?—I must ask you to ask that question of those who know the proceedings of 1852; I can only judge from the Act.

441. I find a perfectly clear enactment on the Statute Book, and I ask you whether you suppose that was passed either *per incuriam* or *instulticum*, or anything else?—I do not know the history of it, but others do, and I think you will find that that proviso was added quite at the end of the proceeding quite *per incuriam*; it was not known how it would operate; you have asked my opinion, and I have given it.

442. I was going to ask how old you were at that time?—I was twenty.

443. I do not think you knew much about the water supply of London then; however, there it is, and it has been on the statute books of these companies ever since?—Yes.

444. Then am I not right in saying that for the last forty-three years Parliament has consented and acquiesced in the companies working with a practical monopoly in their respective districts?—There has been no alteration of the law, if you call that acquiescing.

445. Then I think you might have said yes?—I do not.

446. There is one further proviso in your arbitration clause I see: "Provided also that no allowance shall be made by the arbitrator in respect of any claim to make up the prescribed rate any dividend which shall have been payable more than six years previously to the passing of this Act." Now, let me stop there for a moment. If that is one of your provisos, what was the use of your talking about the necessity of having the last sub-section but one, that is to say, sub-section 7, because it bore on the subject of back dividends, when you knew that you had a provision that no allowance is to be made for back dividends for more than six years from the time of arbitration?—That is perfectly consistent. There may have been the most useless works for six years.

447. Do you mean to say that the works laid down for six years would be useless?—There may have been capital expenditure abandoned and rendered useless during those six years.

448. Have you any idea that there is such a thing?—No, I have not.

449. We have gone through all that clause now, I think. There is one thing further I should like to ask about. Do you propose to have the arbitration after the transfer?—The frame of the Act is an absolute vesting from a fixed date.

450. Quite so; in other words, the transfer would take place before the arbitration?—Yes. The difficulty in arbitrating and adjusting all the accounts would have been so great——

451. It

Mr. *Pember*—continued.

451. It is worth while, before going to that point, to call your attention to a clause in the Southwark and Vauxhall Act of 1884, which I think you cannot know, with regard to non-competition. It is this: "The company (that is the Southwark and Vauxhall Company) and the Lambeth Company may agree as to the supply of water in the particular district." Then the clause runs: "With respect to any parish other than the parish of Lambeth, district, or places in which the company and the Lambeth Company respectively supply, or are authorised to supply water"—leaving out unnecessary words—"the company and the Lambeth Company may at any time enter into any contracts or agreements and may from time to time vary or rescind such contracts or agreements, and enter into others for the purpose of determining which part of such parishes, districts, or places aforesaid, shall be thenceforward supplied by the company and by the Lambeth Company respectively, and such agreements may include provisions with respect to any acts, deeds, matters or things incidental to such supply"?—Yes, for that particular year, but that is not the whole of the area, which is a very limited part—a limited spot.

452. I quite agree. I have read the clause, I hope, fairly; we quite understand it has to do with certain places or parishes in the respective districts of those two companies?—Yes, a very small spot.

453. That you have already said, I think, three times, and we will call it, if you like, to satisfy you, a small spot; but that shows that in 1884 Parliament did something which was in confirmation of the more general proviso of 1852, does it not?—As regards that particular spot, there being no public body to deal with it.

454. As a matter of fact, when you call it a small spot I wonder whether you are aware of this: that that small spot happened to be the only part of the district of the whole eight companies which was not subject to the proviso of 1852?—Will you say that again?

455. Yes; I wonder whether, when you harped upon the fact of that spot being small, you were or were not aware that that little spot was the only part of the districts of the companies not subject to the proviso which I read to you from the Act of 1852?—I am not aware, nor should I think it was so.

456. Why should you not think so?—Because the limits of the Lambeth Company were fixed in the year 1848, and before 1852.

457. What of that?—It could not be.

458. Now just to clear up this question of transfer, would you mind telling me where the appointed day is fixed.

Chairman.] Are you going at all into the question of the final paragraph of this proviso, "and no addition shall be made."

Mr. *Pember.*

459. Yes, sir; I beg your pardon, I missed that; I thought I had finished with the whole thing when I had dealt with the back dividends. (To the *Witness*) I am afraid I must go back to the arbitration clause for a moment, "Provided, also, that no allowance shall be made by the arbitrators in respect of any claim to make up to the prescribed rate any dividend which shall have been payable more than six years previously to the passing of this Act, or in respect of any assumed future increase of the rateable value of buildings and hereditaments within the Lambeth Company's district, other than an increase due to alterations or additions involving increased supply of water." Is not that to cut at the root at once of all the prospective value of the companies?—No.

Mr. *Pember*—continued.

460. Would it not; would not that proviso have a very great effect on the prospective value of the companies?—I think it would.

461. Then perhaps I was wrong in using the somewhat imperfect metaphor "cutting at the root," but it would seriously affect the prospective value of the company. Would it or not?—It would of course stop the operation of the power to charge upon the increased valuation; of course it would, and it is intended to stop that for the reasons I have given.

462. Very well; you admit that it would seriously diminish prospective values of the companies?—Certainly; I do not say "seriously diminish."

463. But surely there is quinquennial valuation, is there not, all over London?—Yes, going on this year.

464. I mean there is a valuation every five years?—Yes, there is one due this year.

465. And they are entitled to be paid on the improved net annual value?—That is to govern their maximum charge.

466. I call a maximum charge what are entitled to be paid?—I do not consider that a company because it has power to charge up to the maximum should always and necessarily charge the maximum.

467. Did you say that I said "Would be entitled to charge"?—Exactly, that is what I said—the power.

468. I did not say they necessarily would; I said "would be entitled to charge." Of course an arbitrator would consider whether it was likely they ever would, having regard to what had gone before. Now let us look at the last, "And in addition shall be made to the fair and reasonable value of the undertaking in respect of compulsory sale." Do you think that fair?—Yes, I do.

469. You are buying us compulsorily, you know?—I do not regard that as compulsory, and I do not regard the 10 per cent. really as applicable to a case of this sort.

470. Why not. Then did you ever know a company bought compulsorily, whether a water company, or a gas company, or anything else, to which the rule did not apply?—I think the whole legislation that has taken place, or rather the findings of Parliament, tend to establish that it is a public necessity that the water companies should transfer and that a public authority should purchase, but I do not regard that as a compulsory purchase.

471. Do you not regard that as a compulsory purchase?—I do not. I am not speaking of it technically; but I say I do not regard it as a compulsory purchase and standing on that footing.

Mr. *Pember*—continued.

ing. And I say that under the Housing of the Working Classes Act, when purchase of property is allowed, an express prohibition is made that the 10 per cent. customary charge shall not be added on public grounds, so also on this transfer, which is not a mere transfer on commercial grounds, and partially on health, and partially on other considerations as well, the same rules should apply, and the 10 per cent. clause should not be allowed with regard to it.

472. You say that this legislation is called for on public grounds; is not every single Private Bill in which there is compulsory purchase of land or what not always stated to be a matter of public importance?—No doubt.

473. And is not the whole theory of compulsory purchase, that a man must part with his property for the public good?—Yes, but that is to a public company and to a commercial company, and not for public purposes; and I say that when it is required for public purposes, then, as in the Housing of the Working Classes Act, it was prohibited by statute. A different set of considerations arise, and Mr. Chamberlain was very strong indeed upon it.

474. Never mind Mr. Chamberlain; he has not given evidence here, and I have not had the pleasure of cross-examining him, but I will tell you someone who has given evidence here, and whom I have had the pleasure of cross-examining, and that is Mr. Binnie, who knows something about this, and who is a fair man; I asked him this question, alluding to the case of Stockton and Middlesbrough: whether it is iniquitous to pay something for a compulsory sale, and he said, "No, I think that is reasonable"?—Mr. Binnie will be here; he will answer for himself; you must not ask me.

475. I want to know when, say, a Railway Bill is passed, and a man has to part with a portion of his estate, whether the Preamble to every such Bill does not contain a declaration that the making of a line is of public advantage?—Yes.

476. What more can you say in favour of your scheme?—I draw a distinction between acquisition for commercial purposes and acquisition for public purposes.

477. And so the owner has to suffer?—I do not consider the owner suffers. It is a custom only, and has grown up—it is not a legal charge it is admitted; it does not rest on statute, and I think that in the case of a public authority the 10 per cent. clause ought never to be given.

478. All over the country, as you say yourself (and it is quite true), water companies have been bought by the score. Without going into any particular case where there might have been agreement or something of the kind, has not the universal mode of purchase been purchase under the Lands Clauses Act, and an allowance of 10 per cent.?—I do not know; I have no knowledge of that; you must ask that of someone else.

479. Now let me put this to you: a great deal of the land which these companies have bought has been bought in or close to London. I daresay you know that not only is it the custom to allow 10 per cent. for customary sale under those

Mr. *Pember*—continued.

circumstances, but a great deal more very often?—Yes.

480. And I daresay you know that the companies have always, whenever they bought land, had to buy under compulsory powers?—Yes, and that payment will pass into the capital account and will be considered in the purchase.

481. Would you mind referring me to the date which you call the appointed day?—Clause 4. On the 31st day of March 1896.

482. "Unless an agreement shall have been made under the preceding section between the council and the Lambeth Company, previously to the 31st day of March 1896, or within any extended period which may be agreed upon." Then in default of agreement the transfer is to be made?—Yes, it is an absolute vesting, you may take it.

483. An absolute vesting?—Yes, as from a fixed date.

484. Do you think it is right that you should enter into a property before the value of it has been ascertained?—Yes.

485. You do?—Yes, with the other conditions which are mentioned in this Bill.

486. What other conditions?—The payment of the dividend and of the interest just as it is during the transitory period until the price is ascertained.

487. But does it not occur to you that if you enter into possession like that on a certain day of 1896, and say for some reason or other the arbitration is postponed for a year or two, and you have no object in hurrying it on, you might do a vast deal to depreciate the value of the property?—Oh, no, I do not understand that.

488. Do you not?—No.

489. I wish anybody who was going to sell me a property would allow me to go in before paying for it. I would soon depreciate it?—There is no monopoly; you are to carry on and exercise all the powers of the company.

490. Quite as you choose to exercise them. As as we are talking of precedents, do you know of any precedent for that?—I know of no such thing.

491. What is the difference between these companies and other water companies. Take any company that has been bought, what is the difference. Why should you enter into possession before you have settled the value and paid for them any more than any other authority should enter into the possession of any other company?—The security is of course absolutely undoubted.

492. Is it. What is the security?—The whole rates of London.

493. I will come to that. You have said that which is a little dangerous; we shall see whether it is. However, is that the ground you put it upon?—I put it upon the ground that as this council stands in a totally different position with regard to finance, and that really practically its finances are controlled by Parliament, the form in which this transaction is to be carried out can be better carried out in the way proposed by the Bill than in any other form.

494. That is to say, you like it best?—No, no.

Mr. *Pember*—continued.

495. But why should not I carry on my undertaking until you pay me and then you enter into possession?—I think if you were to sit down and consider it, in the way we have considered it, you would find there would be such an enormous number of difficulties and adjustments, water rates, monies to come from consumers, that it would be very difficult, without you get a fixed date and made a fixed transfer, to work out the purchase.

496. Surely there would be just the same on the day of transfer?—No.

497. We shall have outstanding accounts?—That will all appear in the books, and it will be a simple matter of addition and subtraction.

498. Does it not occur to you that all these small matters of addition and subtraction could be done just as well if you took over the undertakings after arbitration as before?—No, I do not think so. I think you will find a great deal of difficulty, and I think the transfer should take effect as from a particular date as proposed by this Bill. In the interim you are absolutely secured of your interest and dividend and everything, and then work out the matter as quickly as you possibly can under the arbitration. That is the form which I think, as a matter of business, is much the best form.

499. There is a good deal yet to be said about this. First of all, as to the security. I will deal with that as a thing apart. Do you suggest that London is a bit better able to pay 30 millions or 40 millions of money than, say, Manchester was to pay four or five hundred thousand for the companies which used to supply them; was not their security equally good, or Glasgow or Birmingham or Sheffield?—Really I cannot compare them in that way.

500. I ask you distinctly whether you are prepared to say that in your opinion the security for the money London can give to these companies is a bit better than the security of the various municipalities which have bought up other companies?—I cannot say whether it is better or not. I know it is indisputable in this case; I cannot make any comparison.

501. Then possibly the others were indisputable. But we cannot base the absolute change in procedure upon that. Now we come to this. Do you know of any precedent at all for such a thing?—No; I tell you——

502. Say No, and it is quite enough?—I say no, because there is no precedent of another town whose finances are under annual grant from Parliament by an annual Money Bill. We cannot pay a penny of any sort until our Money Bill is passed. We surrender millions of unborrowed capital every year, which is taken back again and re-granted.

503. We have already agreed that you are unable to say that the finances of Birmingham or Manchester or Glasgow or Sheffield are not just as good a security for the purchase of their companies as ever London is. Now let me ask you this: as soon as you have entered into possession of our undertakings you are to take our books, are you not?—I believe so.

504. We shall have no more servants?—Your staff will be the staff of the Council.

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505. Our accounts will all have gone?—Yes, there are provisions.

506. And we shall have no power to inspect our works to see what is being done?—No, that is provided for.

507. No, you have the power to inspect our works before?—If that is not so, there will be no difficulty about it.

508. Really, considering the complicated character of this property of ours, do you think it is a fair thing that you should be in possession of it for a year or two years or what not, after it ceases to be ours before the arbitration takes place?—Certainly.

509. Very well, if you do, you do, and there is an end to it. Just point out to me, will you, any section in the Act under which the rates of London are the security for the purchase-money?—This Bill, of course, only imposes the liability; the Money Bill must be a separate Bill.

510. Quite so?—It cannot be introduced under Standing Orders; we cannot introduce a Bill.

511. In other words, you will have to bring in a Money Bill?—And we have brought it in.

512. What stage is it in; let us see what this Bill does; your Money Bill may not pass?—I can hardly contemplate a state of things that Parliament would sanction the passing of the Transfer Bills, and not sanction the raising of the money.

513. But let us see what you propose to do under this Bill?—This Bill does not touch money in any way.

514. Does it not?—No.

515. Then this is a pretty joke; it absolutely takes away our property, then, and provides no means whatever for paying for it?—It only imposes a liability upon the Council.

516. Where is the liability, show me where the liability is, have you read the Bill?—Yes.

517. Where is the liability, I should like to see it, show me the liability; come, Mr. Harrison, I thought you knew your own Bill?—It is the last clause, line 25: "All costs and expenses of the Council in the execution of this Act shall be defrayed as payments."

518. I do not wonder at people laughing; I will not join in it myself, because it would not be kind?—I do not know who is laughing, but that is simply because they do not understand the peculiar system of finance under which London is placed.

519. It must be an uncommonly peculiar one?—It is peculiar.

520. Let me read this clause which you say imposes the liability upon you: "The Council shall keep as part of the county fund a separate account relating to their water undertaking to which monies received in respect of that undertaking shall be carried, and out of which payments in respect of that undertaking shall be made" of course?—That is not the clause.

521. Do you suggest what I am now going to read casts a liability upon you to pay 30 millions or 40 millions of money, whatever it may be?—Certainly, it is an expense of the Council.

522. Let me read it, "All costs and expenses

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of the Council in the execution of this Act"?—Yes.

523. Do you mean to say those would cover the payment of the 30 millions or 40 millions of money?—Certainly I do.

524. Really?—Yes.

525. Do you mean to say for one moment, come, let us be honest over it, that that is what was intended?—Yes.

526. As it is not an ordinary Costs Clause?—No, it is not indeed.

527. Then, Mr. Harrison, if that is the fact, why was a Money Bill necessary?—Because this charges it upon the rate, on our income, not on capital.

528. But if it was chargeable we could get our payments out of that?—If you look to the Act of 1888 the words used there are "All expenses in respect of, and in execution of that Act, shall be paid out of the county rate." In this language, and under that very language, every payment under that Act, whatever it may be, is a charge on the rate and on the county rate, it has nothing to do with capital.

529. Seriously, let us get on?—That is seriously.

530. You cannot expect me to take it as seriously: "All costs and expenses of the Council in the execution of this Act (except so far as they may be provided for by this or any other Act), shall be defrayed as payments for general county purposes"?—Yes.

531. That means out of the rate of the year, I suppose?—Yes.

532. Annually?—Yes.

533. What does your annual rate amount to, as a rule, about?—For our present purposes we levy 1*s.* 1*d.*

534. What does that come to a year; what would that represent?—A penny in the pound is 135,000*l.*

535. That would represent a little over 1,000,000*l.* then?—Yes.

536. "Shall be defrayed as payments for general county purposes within the meaning of the Local Government Act, 1888, and the cost, charges, and expenses, to and of and incidental to the preparing, applying for, obtaining and passing of this Act shall be paid by the Council in like manner"?—Yes.

537. Now let us see your Money Bill, and see whether that could have been the meaning of that clause; here is your Money Bill: "Whereas the London County Council (hereinafter referred to as 'the Council') are applying to Parliament for powers under which the undertakings of the companies supplying water in the county of London and the neighbourhood, or some of such undertakings, may be acquired by the Council, and it is expedient that provision should be made as hereinafter set forth with respect to raising or providing the money." Be it enacted, and so on. This makes me a little suspicious, I admit. "If the undertaking of any water company, or any part of such undertaking, be acquired by the Council under the authority of any Act of Parliament, the Council may expend on capital account for the purposes of such acquisition, such money as they may from time to time require to expend for those purposes, and

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in order to raise or provide the money required for those purposes in connection therewith for which they may be authorised to expend money on capital account, the Council may from time to time create and issue consolidated stock"?—"Or resort to the consolidated."

538. We need not read the rest?—"Or raise money in accordance with the provisions of the Act."

539. If your statement to me is correct that that Clause 25 made you liable for the 30 millions or the 40 millions, it would mean that you would have to raise a rate which would represent the 30 or 40 millions?—No doubt, unless you got the power, which you would certainly get from Parliament, to raise the capital sum.

540. I want to see exactly what you mean to say; do you mean to tell the Committee, if by any chance you do not get the Money Bill, that you would raise 40 millions of money out of the rates?—I tell you that is the legal position, and I do not contemplate the possibility of Parliament passing these Transfer Bills and not passing the Ordinary Money Bill for raising the capital. It would have been introduced into the Ordinary Money Bill, but for the fact that the Standing Orders of the House of Commons requires the Council's Money Bill to limit the period for the Sinking Fund to 60 years, and in consequence of that, this had to be introduced as a public Bill, because it proposes to extend the limit to 100 years.

541. With that, I am thankful to say, I have nothing to do, but you insist that you intended to take power, if need be, to raise 40 millions of money under Clause 25 of your Bill, which is called in the margin "accounts, expenses of Act"?—Certainly. I say that is the legal operation.

542. All I can say is, my powers of credit are somewhat limited, I cannot stomach that; is there any date of payment fixed in your Bill?—I think so.

543. Where is it?—After the Arbitration Clause; if not, it can be provided for, but I think it is in.

544. You are very careful to fix the date of the transfer; have you been equally careful, for our poor sakes, to fix the date of the payment?—I think that is provided for.

545. Just tell me where?—If not, it can be done.

546. I notice in your Arbitration Clause, there is not a single thing which the arbitrator is told to take into consideration which is in favour of the companies, not one; now let us see whether there is anything else in the Act in their favour; look at Clause 17, one of your learned counsel suggests that it is fixed there?—I should think it would flow from the adjustment of the accounts in Clause 18.

547. It flows from the adjustment of the accounts?—Yes.

548. That is a phrase I should be sorry to have to depend upon for my money, but let us see; "As soon as conveniently may be after the value of the undertaking shall have been determined under this Act——"?—There need be no trouble about

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about it, if there is any clause to be provided for payment after the completion of the accounts, there is not the slightest difficulty in doing it, or inserting such a clause, it is a mere matter of clause.

549. It is a mere matter of clause, but the arbitration may take a year or two?—But you said there was no power when the arbitration was closed to impose liability to pay.

550. No, I said there was no date fixed for the payment?—The close of the arbitration.

551. "As soon as conveniently may be after the value of the undertaking shall have been determined under this Act, accounts shall be adjusted between the Council and the Lambeth Company in pursuance of this Act, and the arbitrators may from time to time, notwithstanding that they may have previously published their award, determining the value of the undertaking, determine any question between the Council and the Lambeth Company with respect to the amount and destination of any monies retained by the Lambeth Company or received by them with respect to the undertaking after the date of transfer"?—Yes.

552. I see nothing there settling the date of payment?—It is Clause 12. I see the purchase-money is provided for there.

553. That is to say, "the money stock annuities or other considerations settled by agreement, or the amount payable by the Council to the Lambeth Company under this Act, if the value of the undertaking be determined by arbitration shall, on the final settlement of accounts between the Council and the Lambeth Company," which may be indefinitely delayed?—Until that date we pay the dividend.

554. I want to see what you provide for. "Be paid or issued as the case may be, to such of the directors of the Lambeth Company as the Lambeth Company shall by resolution at a general meeting prescribe," but it does not say when you are to pay; it only says you are to pay after the final settlement of accounts which may be indefinitely delayed. Now, let us see what you are going to do for us in the meantime. I should like to call your attention to Clause 17, Sir, I knew all about this. Mr. Harrison does not seem to be so well enlightened. As you will see, he says, Clause 18 provides for the settlement of accounts, and, he says, the payment will flow from it. Then, he says, if you will look at Clause 12, you will see that on the settlement of accounts you will get your money. I say yes, I daresay he will be liable to pay me then, but the day for settling accounts is problematical. Now, we will see what it does for us between the date when he takes over the property, and the happy day we get the money. Clause 17 settles that. "Unless the amount of the consideration to be paid by the Council to the Lambeth Company shall be settled by agreement or settled by arbitration previously to the 30th day of September, 1896"—You will be in possession of our property then?—Yes.

555. "The Council shall on that day pay to such of the holders of debenture stock as shall not have accepted Metropolitan Consolidated

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Stock Annuities or other security in exchange therefor a sum of money representing one-half year's interest on their debenture stock." That that may be right enough. Now let us see what the unfortunate company is to get. "And to the company" (leaving out the word "Lambeth" because it applies to them all) "one-half year's dividend on the ordinary capital of the company at the rate paid thereon respectively for the corresponding half of the year preceding the introduction of the Bill for this Act, and a similar payment shall be made half yearly at the expiration of every subsequent half year, until the amount of the consideration be settled or determined as aforesaid, and the provisions of this section shall be deemed and taken to be in lieu of interest on purchase-money." Supposing that any one of these eight companies, or all of them, have got an increasing dividend, and this arbitration lasts over a couple of years, our dividend is to be taken at the point at which it was before the transfer, and we are to have no chance of such increase as we might have had if the undertaking had remained in our own hands?—Because that increase will have passed into the capital value to be paid.

556. Will it?—Yes, of course.

557. Do you mean to say the arbitrator would give me back 9½ per cent.?—No; but he will give you the capital value of that which in his opinion you would have received, which he estimated you would have received, or which the accounts show you would have received.

558. Thank you, I would rather have my dividend as well as my capital value?—There can be no difficulty in making these all payments on account, and it cannot matter a straw.

559. And there would be no difficulty whatever in settling the transfer to take place on the first half-yearly day of rest of the companies after the award was made?—You would find the same difficulties and complications would have arisen; we tried it.

560. Did you?—Yes.

561. What have you bought to try it?—We considered the scheme, and found it would not work.

562. My learned friend, Mr. Baggallay, points this out too, that even that half-yearly payment of a stationary interest or dividend is only to be made until the amount of consideration be settled or determined as aforesaid, and if the accounts are not adjusted for another half-year, we shall get nothing at all?—Really that is a matter of clause. If you want any words to express it more clearly, you can have them.

563. Let me point in this precious series of Bills to another thing. I see Clause 13 says this: "The several persons who immediately before the date of transfer appearing in the books of the Lambeth Company to be proprietors of shares in the Lambeth Company shall, after that date, unless the contrary be proved, be considered to be proprietors of shares of the Lambeth Company, and no transfer of shares made after that date shall be of any validity as against the Council." Do not you see that that locks up everybody's capital, and makes the shares quite unsaleable?—It is immaterial to the Council; of course——

564. But

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564. But not to the unfortunate shareholder. There is another thing Mr. Baggallay has pointed out, that Clause 18, under which your payments cease as soon as ever the award is made?—Of course, we must close the books in order to know to whom the money is to be paid.

565. Do not you see that all that difficulty would be got over if we got our money before you entered and took possession?—I do not think so. I think you will find other difficulties.

566. I have no doubt we shall find plenty of difficulty as the thing stands?—I mean if you proceed on the other things.

567. You see this Bill bristles with this kind of thing. We have already found four dates; there is the date of vesting when you take away my property; there is the date of award, which may be a year or so afterwards; there is the date of the settlement of accounts between you and me, which will leave a hiatus during which I get no dividend between the date of award and the date of accounts?—Oh, no.

568. But it is so as the Bill stands; it is as clear as possible by Clause 18 it is to cease from the date of award. Now let us suppose that your accounts are all settled, and that you are ready to pay us, and we ask you for money, it will take you some time to make your financial arrangements, will it not?—I should think not; a very short time.

569. It is all very well to say that, but 40 millions of money does not grow on every gooseberry bush, even in the City of London?—No, but there would be no difficulty in raising money in as short a time as the mere forms and arrangements were being carried out. There is a great demand for 2½ per cent. stock. It is just above par, and we can get any quantity of money at that rate, there is not the slightest difficulty; and, further than that, a large part of this debenture stock will practically assume the form of very little but a change from water companies stock to Metropolis stock.

570. How do you deal with the debenture stock of the companies. Of course, this stock has been issued, as you know, at very high premium, a great deal of it at forty premium; you are aware of that, of course?—Yes.

571. How do you propose to pay the debenture stockholders; do you propose to give them the market value of their debentures, or what do you propose to do?—Yes, you will find that is provided for.

572. Let us see whether you do give them the market value of the debentures. Clause 11 deals with the debenture stock; your statement is that you give them the market value. Now, let us see what the clause is. The clause is: "The debenture stock of the Lambeth Company shall after the transfer continue to be charged on the undertaking as by this Act transferred to the Council, in the same manner in all respects as before such transfer. Provided that the Council may at any time within twelve months after the date of the agreement under Part II., or the award under Part III. of this Act, as the case may be, and after giving three months' notice in writing to the holders thereof cancel such debenture stock upon payment of such price as shall, failing agreement, be determined by arbitrators appointed as hereafter provided, to have been the fair value of such debenture stock during the last financial year of the Lambeth Company preceding the deposit of the Bill for this Act, or in the case of any debenture stock not issued before or during that financial year to be the fair value of such debenture stock?—Well, this stock hardly ever fluctuates.

573. Do you know what the price of it was in the middle of 1893?—No.

574. Do you know what the price is now?—No, I cannot say anything about it.

575. Then you are quite innocent, are you, of the fact that since the period which you say is the period at which the market value is to be considered it has risen 16?—As I said in my examination in chief, this is a point utterly immaterial to the Council.

576. But it is material to the debenture holders?—Then alter it.

577. But why did you put in such a thing as this which is avowedly unfair and take a depressed year like the year 1893?—We did not think it was; we pay a cash total consideration for the entire undertaking, including the debenture stock.

578. But it does not?—How that is apportioned is utterly immaterial, and if there are no provisions in this clause which do not secure the debenture holders, make it so.

579. But instead of paying the real value at the moment of the debenture stock you say it is to be determined on the last financial year of the Lambeth Company preceding the deposit of the Bill, that means the financial year of the company previous to December, 1893; in other words, the year 1893, which was a year of great depression, and must have been known to the draftsman of this Bill to have been a period of great depression, and that is optional, mind you, at your instance?—What I say is this. If you take the total consideration money, it matters not a straw to the Council how you apportion it.

580. I dare say you may think that is a very prettily put fallacy; but the Committee will see, I have not the slightest doubt, that that total you talk of, as to the distribution of which you care nothing, will depend for its amount on the value, first of all, at which the undertaking is put, and then the value at which the debenture stock is put, and that you lower the value of the debenture stock by insisting upon taking its value during the year 1893?—I said just now, and it is useless to repeat it again, if this scheme does not secure the debenture holder, make it.

581. Then, will you also allow me to call your attention to this fact, which militates in another way against what you are saying, that Clause 4, which provides for the transfer in default of agreement says that the undertaking shall as and from the date become and be by virtue of the Act absolutely transferred to and vested in the Council, subject to any debenture stock charged thereon. And you have it again in Section 3, Part II.: "The Lambeth Company on one hand, and the Council on the other, may enter into and carry into effect any agreement for the sale and transfer

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transfer to the Council of the undertaking, as any part thereof subject to any debenture stock charged thereon?—Quite so.

582. Section 6 is the same?—Quite so; that keeps the debenture stock till payment as a charge on the undertaking.

583. It keeps the debenture stock absolutely separate, and then fixes its value according to the depressed prices of 1893?—No, because whatever is paid to the debenture holder under the subsequent clause goes off, and is to be taken credit for as against the total purchase-money.

584. That is not so; you will not find that in the Bill?—It is.

585. It is perfectly easy for you to say so. I say again that you have an option within a certain definite number of months, the debenture stock being kept alive (I was going to say for the purpose), of cancelling the debenture stock on a price to be ascertained by a declaration of arbitrators as to what was the value of the debenture stock during the year 1893, and that was a depressed year. If the debenture stock has gone up 16*l.* per cent. in the meantime, the debenture holder will not have the benefit of that. In the alternative, if an accident were to happen, supposing it were to go down 20*l.* per cent., you would not exercise the option of taking the year 1893.

Mr. *Pember*—continued.

Chairman.] I should like to ask one question. I do not know whether in any of the petitions of the persons for whom you appear the question is raised, I know it is in some of them, as to whether the County Council, assuming that there was to be some central water authority for London, is the best authority for that purpose.

Mr. *Pember.*] I think we all raise it.

Chairman.

586. Because Mr. Harrison, I think, in the beginning of his evidence, made some statements on that subject, to the effect that there would be plenty of time to spare, and they would have no difficulty in administration. (To the *Witness.*) You did give such evidence, I think?—Yes.

Chairman.] Do you intend to deal with that, Mr. Pember?

Mr. *Pember.*] Yes, sir, that is one of the questions I intend to deal with on Tuesday morning.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 21st May 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Mr. Holland.
Sir James Kitson.
Mr. Muntz.
Mr. D. Plunket.
Mr. Philip Stanhope.

THE RIGHT HON. D. PLUNKET, IN THE CHAIR.

Chairman.] BEFORE you begin, in reference to what I said at the close of our last sitting, I asked you, if you remember, whether you were about to cross-examine on the question as to whether the London County Council, assuming there was to be some central authority for this purpose, would be the best. I have since been looking through the petitions as far as I could, and I find that several of the petitions suggest that the county council is not a body well qualified for that purpose, but I do not find that any of them formulate anything like a counter scheme, and after consulting with my colleagues on the Committee, I think the opinion of the Committee is that it is no part of our business, whatever opinions we may entertain one way or the other about it, in the way the Bill has come to us from the House of Commons downstairs, to go into any alternative proposal, and we do not intend to do so. Therefore so far as you may in your judgment feel disposed to cross-examine the witness in the sense that the London County Council may or may not be the best body for such a purpose, I must ask you not to go into it with a view of setting up any alternative scheme.

Mr. *Pember.*] I will not, sir.

Chairman.] I do not either encourage you or deprecate your doing so, but so far as you may in your judgment think it right as a general objection to the whole matter.

Mr. *Pember.*] Quite so, sir, that is the way that, personally speaking for four of the water companies, I think is the line I should adopt. I do not know what line my learned friends who appear for the New River, the Kent, Chelsea, and Southwark and Vauxhall Companies will adopt, but speaking for the four I do appear for, that is precisely the line I am very glad to hear you think I ought to take.

Mr. *J. D. Fitzgerald.*] Might I say for the Wandsworth District Board that the point is specifically raised in our petition, and I should ask to be allowed to cross-examine Mr. Harrison on that line; not to go into or formulate a scheme for a new water authority, but to show that the County Council is not the proper body, and that the proper body would be a body specially constituted for the purpose. But of course I do not propose to ask this Committee to formulate any scheme, or put any scheme before them, because that would be a matter clearly outside the province of this Committee.

Chairman.] You have heard the ruling of the Committee on this point, and no doubt you will hear what Mr. Pember has to ask. Of course I trust that none of the counsel will go over the same ground again that has already been traversed, because this must be, under the most favourable circumstances, a very long inquiry, and that would really make it impossible to get through with it at all. But you must, then, exercise your discretion as to what further you may say, and the Committee must exercise theirs as to how far you should go.

Sir *William Marriott.*] On the part of the Chelsea Company, for whom I appear, I quite agree with what has fallen from my learned friend Mr. Pember. It is not our object to show what may be a proper body, but we may cross-examine to show that the county council are not fit for the purpose.

Chairman.] You will have to be very discreet, and I am quite sure you will.

Mr. *Pember.*] May I add, on behalf of the Kent Company for whom I appear, that they have a special case against the county council taking over the Kent Waterworks Company that is special to themselves; and without touching on what will be almost a separate branch of the inquiry, it might be as well that I should ask you, sir, to bear in mind that the opposition of the Kent Water Company differs very materially from that of any of the other water companies, inasmuch as it derives its supply wholly from the chalk, and from the chalk in the county of Kent. So that what the Kent Water Company will say is this: whatever happens, the London County Council ought not to buy the Kent Water Company; we, the county of Kent shall probably claim one day, speaking through our various authorities, that we ought to be allowed to buy the company, but that, as Mr. Rudyard Kipling says, will be another story, nd will probably be sold on another occasion.

Mr. CHARLES HARRISON, re-called; further cross-examined by Mr. *Pember*.

Mr. *Kemp*.

587. BEFORE your cross-examination is resumed, I think you want to make a correction in one answer at Question 422, which reads thus: "But it is a direction to consider it, and what is the use of his considering it if it is not a direction to reduce. It is a direction that it shall be excluded from the inquiry"?—Yes; there is a "not" left out, as is evident from the context. It should read, "There is a direction that it shall not be excluded."

Mr. *Pember*.

587*. There are one or two matters of isolated detail I should like to ask you about if you will be good enough to answer me. In talking of the point as to whether or not the various water companies were safe from competition, had your mind been drawn to Section 150 of the Metropolis Management Act of 1855; on this point whether we should be competed with by any local authority, it says, "It shall be lawful for the Metropolitan Board of Works to purchase and take on lease (leaving out unnecessary words always in reading these clauses) any land which they may deem expedient for the formation or protection of any works they are authorised to execute"?—"Under this Act."

588. Of course. I leave out those as unnecessary words. Also any offices or other buildings and so on, or places for deposit of refuse "or any land for the erection," and so forth, and finally, leaving out certain matters which do not concern us, I think you will agree, I come to these words: "also to purchase or take on lease as aforesaid the whole or any part of any streams or springs of water, or any rights therein, which it appears to them necessary to acquire and use for the purposes of cleansing sewers and drains, and the other purposes of this Act, or any land which is deemed by them advisable to purchase or take on lease for the purpose of drawing or obtaining water from springs or by sinking of wells and for making and providing reservoirs" (and other matters which are all enumerated) "provided always" (and this is what I want to call your attention to) "that nothing herein contained shall authorise the said metropolitan board, or any district board or vestry, to use or permit to be used any such works for the purpose of carrying water by supply pipes into any house or factory for domestic, manufacturing, or commercial purposes." Were you aware of the existence of that statute?—I think so.

589. At all events, I think you will agree with me that it goes a long way to support the contention of the water companies that Parliament has all along treated them as bodies that were not to be competed with?—No; I base my opinion on the opinion of Mr. FitzGerald, the counsel for the Local Government Board, which was handed in to Sir William Harcourt's Committee and is contained in the Appendix.

590. We shall see what Mr. FitzGerald may have said before that Committee if it is necessary to go into it; but all I can say is I must claim on this point to be as good a lawyer as Mr. FitzGerald; let us hope a little better. Surely that provision that nothing in this Act contained shall authorise the said metropolitan board, or any district board or vestry, to use or permit to be used any such works for the purpose of supplying water to any house or factory for domestic, manufacturing, or commercial purposes, was intended to work, and does work, as a protection of the water companies against such competition?—No, only as a protection against any provision under that Act.

Mr. *Pember*—continued.

591. Of course I do not mean to say that under no Act of Parliament, past and present or future, there shall not be competition with the water companies; but so far as it goes it is an announcement by Parliament that on a certain occasion they did not intend to allow competition with the water companies, is it not?—No doubt as to any acquisition under that Act.

592. Quite so; do not let us fight when we are not obliged. We have so many points on which we must fight. I quite agree that does not go outside the purview of the Act in which it appears?—It does not prohibit the individual, and there are an immense number of instances in which breweries and other companies in London have sunk for their own water supply and are taking it at the present time. In addition to that there are two petitions now before the Committee on this very Bill. There is a petition by Messrs. Blundell Maple and Company, and by Messrs. Shoolbred, both of whom state in their petition that they have sunk wells and are providing themselves with water out of those wells.

593. But do you mean to suggest that there is a single water company in the kingdom, whatever its monopoly may be, that can come and say to me, if I have a well in my grounds, I cannot supply myself with water because I am in their district; do you mean to suggest that?—No.

594. Of course you do not. But you do not mean to say that Sir Blundell Maple or Messrs. Shoolbred, or any brewer, is entitled to go and sell water in competition, do you?—No.

595. And they do not claim it, I suppose?—No

596. Then I may leave that?—It is entirely a proviso with reference to the provisions of the Metropolis Management Act, 1855, and in order to prevent any other words in that Act of 1855 being construed as giving that power, a proviso is inserted that nothing in that Act shall authorise those particular things. It leaves the whole question as it was; the Act did not enable it, and therefore the proviso says nothing under the Act shall enable it.

597. I do not want to be always at issue with you if I can help it. Did Mr. FitzGerald give any evidence at all before Sir William Harcourt's Committee?—Yes.

598. Evidence?—Yes.

599. Did not that evidence consist in handing in a paper?—It is in two sentences.

600. I know. Perhaps, as your voice is not strong, I may read it for you. Let us see what the two sentences are. Mr. FitzGerald is called

Mr. *Pember*—continued.

in, he is asked who he is, and he states: "The Committee expressed a desire to have a statement made out from the Acts of the water companies, showing, as nearly as possible, their powers in respect of rating, rents, dividends, and so forth; and I asked the Local Government Board, with your assistance, to prepare such a paper; will you be kind enough to state what has been done, and what is being done in the matter?—I communicated with Sir John Lambert, and undertook to prepare a paper which would show the powers of the companies in relation to supply. That paper is before the Committee, marked 'Enactments as to Supply,' and is dated the 15th of June. It might be convenient to say that this paper begins by stating the general legislation on the subject with respect to the obligation to supply water; that is to say, the legislation of the Waterworks Clauses Acts; it then shows how far that general legislation is altered or supplemented by the special Acts of the water companies; it also shows the authorised rates of supply of the several companies; and it concludes with some observations under the heading 'Monopoly.'" That is the whole of the gentleman's evidence?—Yes, that is his evidence.

601. Now, then, I come to the paper. Recollect what you have said. You have said that Mr. FitzGerald had given an opinion that that clause I have just read was not intended to, and did not, prevent competition. Where in the whole of that paper does he refer to that clause at all; he never mentions it.—The last sentence on page 5 is "The result therefore is, that the Metropolitan Water Companies only have a qualified kind of monopoly as against sanitary authorities in those portions of their water limits which are beyond the jurisdiction of the City and the Metropolitan Board of Works." Then, under the title of "Monopoly," he says there is a restriction under the Act of 1875, as against those outside, and then he says that the Public Health Act of 1875 is not enforced within the metropolis, so that this section, as already observed, only affects so much of the water limits of the companies as are outside its area. Moreover, it has no application to competing companies.

602. But we did not want a ghost to tell us that; we know that perfectly well. The point is, where did Mr. FitzGerald say in his evidence or in his paper, as five minutes ago you said he did say, that that clause which I have read to you from the Metropolis Management Act did not stop competition between the companies and the Metropolitan Board of Works?—The first sentence under the title of "Monopoly," on page 5, states this: "Neither in the Waterworks Clauses Acts, nor (it is believed) in any of the special Acts of the eight metropolitan companies, are there any provisions giving the company any exclusive right of supplying and selling water within a defined area. In fact, the proviso contained in the Acts of most of the companies, to the effect that they shall not be bound to supply water in any part of their district for the time being, supplied by another company, shows that there is no legislation preventing one company from supplying water within the limits of another company."

603. But do you not see that that does not carry you a step further; it only shows that Mr. FitzGerald had not had his attention called to this, which is not one of the Companies Acts at all, but which is a general Act affecting the metropolis of London. If you can show me that Mr. FitzGerald mentioned, even in coming to the conclusion he came to, this section I put before you, I will beg your pardon for saying that you are wrong, but at present I must stand to my opinion. I think you may take it from me that he does not?—I do not know whether he alludes to that particular section.

604. But that is the whole thing?—But he does allude to and had it before him clearly, because he comments on the operation of the Act of 1855.

605. I daresay; upon that I say nothing; but it is obvious that either he had not got that clause before him at all, or else he had failed to give its effect. By incaution you suggest he had given an opinion contrary to mine with reference to that section. We will leave that?—I put that construction upon these phrases I have read.

606. Then I am sorry to say they do not bear you out?—That is a question for the Committee.

607. I wonder whether I got this figure from you: is not the difference between the mileage area of the administrative county of London, and what is called in the Royal Commission, water London; that is the district supplied by the water companies, the difference between 121 miles and 621 miles?—I do not know; you did not get it from me.

608. As a matter of fact, the area of the county of London is about 121 miles, is it not?—I would rather you ask some other witness; I never gave you those figures.

609. I want to ask you a question or two about the agreement between the London County Council and Surrey. To begin with, the Surrey County Council are not a water authority, are they?—No, not in that sense.

610. You say, "not in that sense"; but they are not a water authority at all, are they?—No, they are representatives of the county.

611. They are representatives of the county for some purposes, but they are not the water authority. I think I may also say, may I not, that you are fully aware, what we are aware of too, that they do not intend becoming the water authority for Surrey?—I do not know that at all.

612. At all events, they have shown no intention of so doing?—Quite the contrary.

613. Where have they shown the intention?—In the agreement.

614. Where does it appear in the agreement?—By dealing. It flows necessarily from the purchase. They have made arrangements practically to take over all such portion of the area outside the county, which is within these two water companies' water area, and to take all such works as can be practically appropriated to that area, together also with the distribution pipes

Mr. *Pember*—continued.

pipes in that locality; and they have also arranged that the water powers shall be partitioned by arbitration between the county of London and the county council of Surrey, as far as they can be practically apportioned, and that the county council of Surrey shall pay such a proportion of the purchase-money as represents the value to be ascertained by arbitration of the particular works and reservoirs, as may be assigned to them under the partitioning, and the balance in respect of the ratios of present supply or present consumption by the two bodies respectively, with an addition of a million gallons to Surrey, to represent their demands in respect of future supply. Then beyond that there is a provision that inasmuch as the works on partitioning would require outlay to equip them and make them adapted to the two separate localities, that that expenditure is to be ascertained, and is to be added to the purchase-money and apportioned in the same way as the original purchase, so that, in point of fact, if 50,000*l.* is necessary for the outlay to equip the adaptation of the portion outside the county, and the portion inside the county to make them complete works, that 50,000*l.* would be added to the primary cost, and would be apportioned in the ratio of consumption, plus, in the case of Surrey, 20 per cent.

615. Does that carry us any further on the road to finding out whether the county of Surrey is a water authority, or whether it is likely to become one; do you really think that has carried us any further; now, let me ask you a question which I hope will. You know there has been a report of the Local Government Board upon this Transfer Bill; did you know that or not?—I have not.

616. Upon my word, you are the most happy-go-lucky person I ever met. Do you mean to say you have come here to give evidence in this room without having found out whether the Local Government Board have reported on your Bill or not?—I have left that to others.

617. Are you astonished to find that there is this statement on the first page of it, headed Part 6, the second paragraph: "As regard these proposals" (that is, supplying the districts without London) "the board think it right to point out that no county council outside London has at present any power in connection with the supply of water to the inhabitants of its county, and that so far as the Bill would enable the Surrey and the Kent County Councils to acquire any such power, it constitutes a new departure in local government legislation." I wonder whether you are also aware that there has been quite lately (I am reading from the "Richmond and Twickenham Times," of Saturday, the 18th), a meeting of the Surrey County Council, at which Lord Onslow, who is by no means an unimportant member of that council, made these remarks: "He observed that the Surrey County Council could not be the water authority to administer the water supply, unless it went to Parliament for powers which he did not imagine would be the case"?—Lord Onslow is a member of our Parliamentary Committee, has taken part and has expressly sanctioned, and was one of the

Mr. *Pember*—continued.

parties to sanctioning, this agreement. He has actively supported this agreement made with Surrey, which has been unanimously adopted by the Parliamentary Committee of the council; he spoke in favour of it.

618. That I quite understand; but do not you see that that is perfectly compatible with the Surrey County Council never becoming the water authority at all?—I do not think that; I cannot tell, with this special case of the water question surrounding the metropolis, what may be the enactments. It may be more convenient to make the county council the authority, or it may be more convenient to partition the thing.

619. The real people who are entrusted under the Local Government Act of 1894 (that is last year's Act, which is commonly called the Parish Councils Act) with the supply of water to the districts are the rural district councils, are they not?—I quite agree.

620. And the only power whatever that the county council has in dealing with water, is it not, this: that if the parish council of a parish moves its district council to give a proper water supply and they will not, then they can appeal to the county council, who can take measures if they think that the district council is in default?—I believe that is so.

621. And that is their only connection with water supply?—But you do not bear in mind that the county in this case is in no way coterminous with the water area; the water area extends but a very small way into the county of Surrey. Surrey runs down a great deal further, to Guildford and Redhill and elsewhere, and is not confined to this limited fringe, as it were; it would be impossible to have separate waterworks for each sanitary authority.

622. I wonder whether this has struck you at all. The Local Government Board call it a new departure in local government legislation. I wonder whether it occurs to you, as a lawyer, that this may be true: that for the Surrey County Council, having no power whatever to deal with the water supply in the county, to have made that agreement with you is absolutely ultra vires. Has that occurred to you at all?—No, I do not think it is ultra vires to enter into an agreement subject to Parliamentary sanction.

623. We will carry it one step further. Where is there anything in that agreement which says it shall be subject to the sanction of Parliament; it is only on condition of this particular Bill passing. Now, if this Bill passes——?—Look at the last clause.

624. I know, that is conditional on the passing of the Bill?—"And that these heads of agreement shall be scheduled to, and confirmed by, the Bill."

625. Have you asked your Parliamentary agent whether that can be done under the notice for the Bill?—We have.

626. And what does he say?—He advises that it can.

627. Does he say so?—You can ask him. I say so, otherwise we should not have entered into it.

628. Does it not occur to you that that would be altering what is now public legislation which

Mr. *Pember*—continued.

has carefully defined the powers of county councils by a proper Bill?—You must not ask me questions relating to Parliamentary procedure.

629. You have given your opinion; I thought you were rash?—I did not give any opinion. You asked me what, as a matter of fact, we were advised.

Chairman.] We shall have the Parliamentary agent.

Mr. *Pember.*

630. Pardon me for saying you will have to consider it yourself, sir, from your own point of view. (To the *Witness.*) I should like to ask you this question: Supposing the district councils in the part of Surrey which is within the water supply insist on their supplying water to their own district, does it not occur to you that there will be a great number of water authorities in Surrey?—I cannot tell. I should think a good number in that area; I do not know how many.

631. There is another thing I should like to ask you with regard to this agreement; we will suppose that your Bill passes; we will suppose that the agreement is scheduled: do you intend the Surrey County Council to become a party to the arbitration between the Lambeth Company and yourselves?—So far that they would be at liberty to attend the proceedings; they would not be a party vis-à-vis, and nothing could make them a party vis-à-vis, with the Lambeth Company.

632. What do you mean by vis-à-vis. I understand it in a quadrille, but not in this sense?—I should have thought it was a common case of two parties to a litigation.

633. How would the company be able to prevent them from offering evidence as to the value of the works, and in fact generally acting like a respondent?—The county council would, of course, call them or their experts upon any question which would be before the arbitration. The county council would necessarily call their expert evidence so far as it was offered to us, and the water company could not possibly object to that, wherever it came from.

634. Do not forget that you started this little discussion by saying that they would be able to attend the proceedings, but they could not be vis-à-vis to the water companies, as an opponent?—Quite so.

635. Now let me read Article 7 of this agreement: "The Surrey County Council shall be at liberty to attend and take part in any proceedings for determining the terms upon which the London County Council shall acquire the undertaking of the Lambeth Company"?—Quite so.

636. In other words, I shall have two plaintiffs or defendants or respondents upon me instead of one?—No, not two.

637. Why not?—That will not give them the right to interfere in the arbitration as between them and the company itself; it is between the county council of London and the Surrey County Council; we expressly give them liberty to attend and take part in those proceedings.

638. Before you make an answer of that kind, do you think a little?—I have thought, because we have had this discussed a good deal between us.

639. It matters a great deal to me. You suggest that they should appear and take part in the proceedings?—As far as we are concerned.

640. Wait a minute; there is no limitation whatever in the clause in your agreement as to the part they shall take. You propose that that agreement shall be scheduled to an Act of Parliament, so that it will have the force of an Act as against all the parties, and do you mean to tell me, therefore, that I should not be in the face of two opponents?—Certainly not. This is an agreement made between Surrey and the county of London, and no agreement between them could alter the form of acquisition, and the form of reference and the mode of conducting the reference as between the water company and the county council under the other provisions of the Act.

641. Will you just tell me this: You make that answer even if the agreement was scheduled to the Act?—Quite so.

642. Then, in the name of all that is sensible, what part could they take in the proceedings?—As between them and us?

643. What part could they take with you without proceeding against me?—This part we might call certain evidence.

644. What is the meaning of that; do you think it is in my favour?—In the water company's favour?

645. Yes?—No, as against them. They are not parties to the reference in any other sense; they are parties assisting as being our partners in the purchase, and if they can give us any assistance we agree that we shall consult them.

646. I know, as you say, assistance to you, and assistance to you, I am afraid, means something against me. Does it not occur to you that (to refer for one moment; I am not going into it in detail again) a vast amount of your arbitration clauses are, as to legal points which, whenever they are raised in an arbitration, are referred by an arbitrator to the court?—No.

647. You do not think so. And you do not think that your clause precludes any such reference, and takes any points of law whatever out of the hands of the court, and puts them into the hands of the arbitrator; you do not think so?—No, the arbitrator will have to consider all those things.

648. Then you do not intend to take any legal point out of the purview of any court of law to which under an ordinary arbitration it might be referred, and hand it over to the arbitrator instead; you do not intend that, do you?—I do not intend to do more than to do what the clause, I think, expresses, namely, to give to the arbitrator power to consider the whole question of charges whether relating to, or founded on, law or not.

649. In other words, supposing an ordinary arbitration with an open arbitration clause, and certain charges are made, we will say, or claimed by the Lambeth Company in aid of their general claim and the opponent, say yourselves, in the ordinary way said "those charges are not legal," the arbitrator would not decide that himself, would

Mr. *Pember*—continued.

would he as a point; he would refer that to a court of law?—If the reference ——.

650. Say yes or no, if the reference was open?—If the reference was a reference as to the charges and limited to that, well and good.

651. I did not understand the meaning of the answer. I must ask you to make it clearer. Supposing such a point as that had been raised in an ordinary arbitration, would he not immediately refer it to a court of law?—Not in an arbitration as to price.

652. Why not?—Because it would be a matter not of law, but indirectly only in reviewing it, and enabling him to calculate what the price should be. It is not a reference of a subject matter.

653. Let me put this concrete case to you: Supposing the Lambeth Company claim a right to make a certain charge, and if they were right in their contention that that fact added a million, we will say, to their claim, and the other side contended that that charge was not legal, it would be absolutely necessary for the arbitrator to arrive at the conclusion as to whether it was legal or not, otherwise there would be a difference of a million one way or the other in the amount he would have to give; he must therefore find out if it was legal; how would he find it out except by going to the Court?—He would decide that in the ordinary way.

654. How could he if it was a question of legality?—Well, it is what every arbitrator has to do.

655. To decide points of law?—He has to decide in his own mind.

656. He has to decide whether that charge is legal; I am not going to let you get out of that. Would it not be perfectly possible for either side to say, "Sir, you must not decide that legal point; you must state a case and take it to a court of law, and ask their opinion"?—No, I do not think so.

657. Really. Do you know the Arbitration Act?—Generally, I do.

658. Do you mean to say that that is not provided for specifically in the Arbitration Act?—No, not in that way; not on a purchase.

659. Very well, if you say so?—Suppose the arbitrator chose to regard the water rental as a perpetuity, he might take into consideration a legal question bearing upon that, as to whether it would be a perpetuity or a terminable annuity.

660. I will not let you go off my point. You may take a point on which my point does not arise, but you must deal with my point. I say you distinctly tell him this, to take into consideration the legality of charges?—No, I do not. There is no protection in that at all. He is "to have regard."

661. "He shall have regard," not "may," and that makes it absolutely certain?—No, it does not.

662. Very well, you and I cannot argue for ever. All I have to do is to put the point to you as fairly and straightforwardly as I can, so that nobody can say you are taken by surprise. There is one other point which I am told I ought to have put to you a little more clearly

Mr. *Pember*—continued.

than I did the other day. You say that he shall have regard to the deductions to be made in respect of works, plant, or appliances which shall become wholly or partially useless. On those words "plant that has become wholly or partially useless," we want to see exactly what you mean by that. Do you mean to say that supposing we have spent our capital on certain appliances, and that we have spent it (and I ask you to consider these as hypotheses) properly under our Acts, that the auditor has passed them as proper prices of capital expenditure; do you intend by that that the arbitrator is to go behind the powers of our Acts and the expenditure as sanctioned by the auditor, and to say that capital has become wholly or partially useless and must be deducted, and no income is to be supposed to be earned by it or through it. Do you propose that?—What I understood this to mean is this: that it is quite impossible to predicate in what way the arbitrator, or arbitrators, or tribunals of arbitration would arrive at the conclusion. There are several ways of doing it, either by taking a water rental and saying "there is so much rental," say a million. It is a water rental, which having regard to water undertakings is worth so many years purchase, and he might proceed upon that process.

663. But that has nothing to do with this clause?—It has, indeed, a great deal to do with it. If that were so, it is important that he should be at liberty to have regard to deductions to be made in respect of works which have become useless and which would be a call upon that water rental, and would not leave that water rental as a net annuity to be multiplied out at so many years purchase; the clause provides for the deductions to be made in respect of the works or appliances which have become wholly or partially useless, and the adjustment of the revenue account of the Lambeth Company in respect of repairs and renewals properly chargeable thereto. He would see by that investigation, by reason of the works not being kept up to their proper power, whether that water rental ——

664. I thought whatever else we disagreed about the other day, at all events we agreed to this: that an arbitrator under an ordinary arbitration would see whether repairs and renewals had been properly provided for and charged, and therefore I did not ask you anything with regard to that, but I asked you to stick to the words I did ask you about, "Appliances which will become wholly or partially useless." We are entitled, are we not, to a 10 per cent. dividend, we will say on capital which has been duly expended under our Acts; we are entitled to that now, are we not?—Before giving a rebate we are entitled out of your water rentals, if you earn it.

665. What do you mean by "before you give a rebate"?—To the water consumer. You are entitled to 10 per cent. out of your water rental in the first instance, but you must ascertain first whether the water rental is a permanently fixed and properly earned water rental, or is merely an accidental water rental, earned by allowing works not to be kept up.

666. Quite

Mr. *Pember*—continued.

666. Quite so; but will you once more kindly remember I have not asked you a question about whether the works have been properly kept up or not, that is a totally different subject matter, which I cannot help saying you must know. I am asking you this: We are entitled to have 10 per cent. on capital duly expended, and I want to know whether, supposing we have expended 1,000,000*l.*, do you propose that the arbitrator should be able to say, "In consequence of this direction some part of that million which you have properly expended has been worn out or has become useless, so I will deduct it from the million, and I will not consider your income is 10 per cent. of 1,000,000*l.*, but 10 per cent. on, say, 900,000*l.*"?—If you had not interrupted me I would have said that, alternatively, the mode of arriving at the value may be with reference to the value of the works and the expenditure. Now take the case of the conversion from wooden pipes to iron pipes, which rendered the wooden pipes absolutely useless. It was by public statute compelled to be done; that was an expenditure which was absolutely useless and is now thrown away. If, therefore, the arbitrator was to proceed on the question of ascertaining the value, it would be important that he should be at liberty to consider whether that outlay on wooden pipes had been wholly or partially useless, proceeding on those grounds.

667. Now we have it clear; that is what you intend?—Certainly.

668. In other words (let me take an analogy) if you were buying, say, the London and North Western Railway Company as it at present stands, you would, under a similar clause, deduct from the London and North Western Railway capital every single shilling that had been spent on the original stations on their line, we will say which have been supplanted by better and bigger ones?—No, I should say the analogy would be if you were buying an engineer's works and factories you would be at liberty to consider whether the models, plant, and old materials accumulated on such works were at a figure equal to their capital outlay, or were to be taken into consideration as to which were useless and which were not.

669. Do you mean to say there are any wooden pipes now?—Not in the ground.

670. Do you say there are any stacked for which we should be likely to ask?—No, but the capital for the outlay figures in their books.

671. Quite so, I say that that is exactly analogous to anyone who is buying the London and North Western Railway saying that they would deduct from the capital account everything that had been originally spent on stations which had been superseded. Now let me ask you this final question on that point. Have you ever known any single arbitration throughout the country, as to water companies or anything else, where a clause of this kind has been put in, or anything, such as is suggested by the clause, has ever been taken into consideration?—Clause 6.

672. No, this particular thing I am asking about?—I should have thought it reasonable, but I do not know of any precedents, but I think it is only fair and equitable.

Mr. *Pember*—continued.

673. You do not know of any precedent, so there I will leave it. You suggested that the West Middlesex Company got a lot of new districts in 1852. Have you looked into that matter since?—No, I have not, but what I suggest is, that they did get new districts under the Act of 1852 upon their then rental of 4 per cent. All the previous Acts were repealed, and they had the opportunity in 1852——

674. Do you mean this: that they got the same districts that they had in 1852, only we must consider them as fresh districts in 1852, because you say the old Acts which gave them were repealed in 1852?—No. I mean that those districts were kept up, but were given to them, although occupied and *de facto* supplied by other companies with much larger percentages; they were given to them in 1852 with the power to supply them on the lower rental.

675. Will you refer me to the section in the Act of 1852 under which that was done?—Any one of the Acts.

676. I do not want any one of the Acts; I want to know the section under which that was done. I am distinctly instructed, and I am bound to say that I believe it, that no district has been added to the West Middlesex since 1810, and, certainly, none was added in 1852?—That is not what I said. What I said was that the southern districts, being already occupied *de facto* by two other companies with a high rental. The West Middlesex were in 1852 on re-enactments authorised to go into those districts, and were limited to a charge of 4 per cent. as against 7½ per cent., and that must have been with the object of creating competition.

677. Very well; it passes my comprehension; I hope other people are more clear-headed?—That is clear, it seems to me.

678. There is one more isolated point, and only one, I think, before I go to questions upon other subjects. I want to know what the debenture stockholders' position would be if you sold off to the various other authorities outside London portions of the undertaking. I see the debenture stock of the Lambeth Company you say, in the Lambeth Bill, Section 11, shall, after the transfer, "continue to be charged on the undertaking by this Act, transferred to the Council in the same manner in all respects as before such transfer"?—Yes.

679. Now supposing you were to get these Bills, and you parted with all those parts of the undertaking to the out-districts, which out-districts were willing to buy, what would become of the unfortunate debenture holder?—But we do not propose to part with them, nor is the agreement to part with them.

680. I am not talking of any agreement, because I know with nobody except Surrey have you any agreement?—And with Croydon.

681. Croydon is a bit of Surrey, but supposing all the other County Councils buy?—We should not adopt any other form than that which has been adopted in the case of Surrey, and in the case of Surrey there is no power to partition until the purchase is complete.

682. But I am talking of the debenture holders themselves, after the transfer. "The debenture

Mr. *Pember*—continued.

debenture stock of the Lambeth Company shall continue after the transfer" ?—Quite so, and it would continue still.

683. Do you mean to say that the debenture holders are to have a separate lien on all the various fractions into which the undertaking would be cut up?—No, because that arrangement does not separate until we have completed the purchase from the water company.

684. Excuse me; to begin with you buy by Section 4 subject to the debenture stock, and by Section 11 the debenture stock is after the transfer to continue to be charged on the undertaking?—Yes; but the agreement with Surrey is after the completion of the purchase. There is no sale, and there is no parting with property until the purchase money is paid by the County Council in the first instance to the water company; there is nothing in this agreement to operate upon. There is no transfer of interest at all.

685. But that purchase does not include the debenture stock; unless you come to an agreement with the debenture holders they will have, according to you, even after the purchase by the water companies, as their only security, the undertaking. Now, I say, are they to have the security of the undertaking split up, perhaps, into a hundred fragments?—It will not be split up; there is no intention to split it up.

686. What liability have the Surrey County Council undertaken with regard to the debenture stock in that agreement of yours?—They have undertaken to pay a proportion of the total purchase money after you take away the value of the works.

687. That is a payment to you?—Certainly.

688. But where is the security to the debenture holders? What have they done for the debenture holders in the agreement?—The undertaking; the whole thing includes the undertaking.

689. It does not, excuse me?—I cannot say more.

690. Under that agreement, and I defy you to point it out to me, Surrey does not undertake one halfpenny liability to the debenture holders. If you disagree with me, show it me?—What I say is——

691. But show it to me; I must really pin you to a direct answer; I am sorry to have to do it, but I must. Where, in the whole of that agreement with Surrey, is there a single phrase which shows that the County Council are to undertake any liability as to the debenture stock? I defy you to show it to me?—I beg your pardon. What I say is——

692. No, you show me that; I know you are very fond of saying something, but I want you to answer the question, where is it? Of course, I know it is not there?—But I say it is there, the whole scheme of it.

693. Where is it?—Under Section 3: "The price to be paid by the Surrey County Council for the premises to be transferred to them under Article 1 shall be ascertained as follows: 'When the amount paid or to be paid by the County Council for acquiring the undertaking shall have been ascertained, and the value shall be ascertained of the works, the balance shall be apportioned in the proportions mentioned in this Section.'"

694. Quite so; now where does the unhappy mortgagee come in?—That is part of the money paid or to be paid by the County Council.

695. But is there any provision for handing that over to any fund?—No; the debenture holder has nothing to do with any special arrangement.

696. I know he has not, poor wretch?—He would be very badly treated if he had.

697. Is not this transaction what I say (and a smile will not get rid of it) that the Surrey County Council, when the price that they ought to pay you for their share in the undertaking which you have bought, subject to the debenture holder is once ascertained, they pay that over to you straight, do they not, the whole of it?—When we have paid it.

698. Who says, when you have paid it? When you have paid it to the water company, and what you pay to the water company is the value of their undertaking, subject to the debenture stock?—That is not so.

699. What is the use of saying that; show me then anything in your Bill where you say that you are to pay over to the water company the value of their undertaking plus the value of the debenture stock?—I say including the debenture stock.

700. Where?—I say that is the whole scheme of the Bill.

701. Mr. Harrison? you did not know much about your Bill the other day.

Chairman.] I think Mr. Harrison said on the last day that if the clauses were not considered sufficient for the protection of the debenture holders, he was quite willing to agree that the Committee should make them so, and you may rest assured that if the rest of the Bill should come to pass we will take care to protect the debenture holders.

Mr. *Pember.*] Of course, he cannot put any liability on the Surrey County Council because the agreement is signed and sealed.

Witness.] Quite so; their interest does not arise until it is a completed purchase.

Chairman.

702. (To the *Witness.*) I understand you are willing to put in any clauses necessary for the protection of the debenture holders?—Quite.

Mr. *Pember.*

703. If you had said so before——?—I said so in examination-in-chief and in cross-examination.

704. Now I want to know this: Have not you got an annual report of the proceedings of the Council which shows the number of committees and the number of their meetings, and the number of the members?—No, not an annual report; there is a return periodically made of the attendances of members at committees.

705. I am not talking about that. I said: Have you not an annual report of the proceedings of the Council?—Yes.

Mr. *Pember*—continued.

706. And does not that show the numbers on committees that you have got?—No.

707. Does it not?—No.

708. Does it not make a statement——?—The annual report reviews the proceedings of the Council's year.

709. And does it not contain a list of the committees?—The work of the committees, not a list.

710. Does it not contain a list?—No, the work. I can give you a list of the committees.

711. Can you show me a copy of your annual report?—Yes. It reviews the work of the committee.

712. I know; you say it does not contain a list?—I do not think it does. It reviews the work of the committees, but there are lots of other committees not mentioned. There is not a word about the standing and joint; there is not a word about the Special Committee on Fire Insurance—I am familiar with these things.

713. I have a document here which looks uncommonly like it, but of course it may be a fraud?—What is the document.

714. I suppose your last report is 1893–94, is it not?—Yes.

715. Am I right in saying that that annual report, as you say, contains an account of the work of all the committees?—Yes.

716. In the first place, how many committees have you got?—There are 21 Standing Committees and about five Special Committees.

717. That is 26?—Yes.

718. I have made an analysis, and you shall see whether my analysis is right or wrong. Your Finance Committee contain 14 members, does it not?—The Finance Committee contains 15.

719. I suppose there has been one added this year?—No; nearly all our Standing Committees you may take it run from 12 to 15, that is the Standing Order.

720. They go a little above that, you know. I see that the Finance has 14; the Bridges, 20; the Building Acts Committee, 11; Charities and Endowments, 14?—No, corporate property.

721. I will call it corporate property, but it is called Charity and Endowment in your report. Establishment, 11; Fire, 15; Highways, 11; Improvements, 12; Industrial and Reformatory Schools, 10; Local Government and Taxation, 14; Main Drainage, 15; Parks and Open Spaces, 30; Parliamentary, 35?—Forty-three now.

722. That is still worse. Public Control, 12; the Joint Committee of Public Control and Public Health, 9; Public Health and Housing, 27; Sewers, 12; Theatres, 15; Water, 16; Works, 20; the Appeal Committee, 7?—That is a Statutory Committee.

723. Fairway, 6; Small Holdings, 7; Thames Conservancy, 17?—That is the Rivers Committee.

724. Then there are some which you have added, and one or two which I am afraid I did not take into consideration, but that makes your Committee consist, if I add all the numbers up, of very nearly 400 members?—I cannot tell you that; I daresay it is so.

725. I do not expect you to say it off-hand; it would not be fair, but however, if you find I am substantially right, perhaps you will admit it, or if I am substantially wrong perhaps you will say so. Of how many members does your Council consist?—One hundred and thirty-eight.

726. That is aldermen and all?—Yes.

727. And if they are all perfectly well and happy and on their legs and fit for work?—They all are.

728. I am very glad to hear it. As a matter of fact, therefore, that means that every man on the average must be on three committees?—I dare say.

729. I notice that your report give the number of meetings of several of these committees; 11 of them, I think. I see, for instance, the Building Act Committee had 61 meetings; that is, committees and sub-committees; the Charities and Endowments, or what you call corporate property, 25; Establishment, 29; Fire, 80; Highways, 69; Local Government and Taxation, 53; Main Drainage, 64; Parks and Open Spaces, 167; Public Health and Housing, 156; Theatres and so on, Music Halls, 41; (besides 10 visits of inspection which they say everybody paid, which from one point of view was extremely wrong) then Water, 25; Works, 182; making a total of 962 meetings of committees and sub-committees, taking 11 of those committees alone. Now the Finance Committee, I suppose, sits pretty often, does it not?—It meets once a week.

730. That is 52. I suppose the Bridges Committee sits pretty often?—Each one of these Standing Committees meets once a week.

731. I find if I divide 962 by 11 that as a matter of fact that would give an average of about 90 meetings of committee and sub-committees for each one of these committees, and that is about right, I suppose?—Yes; only it is regardless of the circumstances and the facts; it does not take into consideration the facts; take the Parks Committee; there are 3,000 acres of parks all distributed about. The Committee on Parks numbers 24 to 30 members. Four of them take one district, four take another; they do not all attend; it is divided up into the postal districts, and each committee takes its own particular parks and area. It is called a sub-committee, because no committee except collectively can give any order for expenditure or anything of the sort. That is only an illustration. Take the same with the Asylums Committee. There are eight asylums to visit; there are 40 members on the committee, that is five to an asylum; five go to Hanwell, five to Colney Hatch, and five somewhere else.

732. Hanwell might be a subject of comment?—No, the inspection is very good, and they have greatly improved things.

733. As a matter of fact, I assume I do not much understate it if I say that what with committees and sub-committees of one kind and another, there are something like a couple of thousand meetings of sections in the course of a year of the London County Council?—I daresay.

734. And the average number on a committee is about 16, is it not?—Twelve to 15 is the average.

735. Rather more; I make it 16?—There are only

Mr. *Pember*—continued.

only two or three committees which are large; the "Parks" takes away a great number because it is distributed about, and "Asylums," too. With these exceptions you will find 15 is the average.

736. Can you tell me how many meetings the average councillor must attend in the course of the year; I make it considerably over one a day?—I daresay; but our councillors are all in the habit of working.

737. You have not begun to work the tramways yet?—No.

738. Nor the pawn shops; that is another thing which you propose, you know?—I do not know that that was proposed.

739. And in reading Sir Somebody Hutton's Report, I noticed he suggested you should make boots and shoes?—I do not know what you are alluding to.

740. It is very wrong of you not to have read his report. Do you mean seriously to say there is not a suggestion that you should start municipal workshops?—We have.

741. Have you?—Yes.

742. Where are they; I should like to go and buy a pair?—If you go to the other side of the river, opposite here, you will find some large workshops.

743. Have you made much profit out of your workshops?—Yes.

744. Do you think that is fair to the other tradesmen of the town?—I think it is as fair as the municipal workshops at Birmingham, or the Commissioners of Sewers works. The Commissioners do their City work, and make their own shoes for their horses, and make their carts as well.

745. You know Mr. Sidney Webb, do you not?—Of course I do.

746. A nice gentleman, and understands the work of the Council very well. I forget whether he is a member of the Council now?—Yes.

747. He has published a little pamphlet, has he not, called "Three Years' Work of the London County Council"?—I daresay he has. I do not know what his publications are.

748. I am afraid your knowledge is rather limited; especially when connected with the London County Council?—No, my knowledge is not at all limited in connection with the London County Council.

749. Have you ever seen Mr. Sidney Webb's book called "The Work of the London County Council," a letter to the electors of Deptford?—I do not think I have.

750. I wonder whether this paragraph is true, "The very multifariousness of the Council's work makes any exposition of it within the limits of a letter an almost impossible task." Is that true? Then he goes on, "But the weekly public meeting of the Council comprises, it need hardly be said, only a small part of its work to prepare the weekly agenda." Only the agenda, mind. "There are on an average 40 meetings of committees or sub-committees filling up every hour of the day-time"?—That is so; different members.

751. From ten or eleven on Monday morning

Mr. *Pember*—continued.

to five or six on Friday evening, and often terminating with a view or inspection of a park, a sewer, or a slaughter-house on Saturday morning?—Yes.

752. What a nasty mixture; it is worse than a conger eel pie and Devonshire cream. "I need hardly remind you that a member who does not diligently attend these committee meetings is practically of no use, even if he does make speeches on Tuesday afternoons." I will finish the paragraph, because it is interesting. "The work done by these committees falls into two classes. Whole sections of administration, indeed, such as asylums, industrial schools, and technical education are delegated *en bloc* to particular committees, and are heard of in Council only by quarterly or annual reports, which usually go through without a single word of comment. Even where no such express and complete delegation has taken place, the great bulk of the work of administration goes on quietly in the committee room and is never heard of outside." So I am afraid London, if it does have its water undertakings sold to the County Council, will really find that its water affairs are managed by a committee. However, I will pass on. "The Fire Brigade Committee, for instance, has a brief report in the Council's agenda every week, with perhaps a dozen proposals of one kind or another. But these are merely the residuum out of a committee agenda which habitually contains every 100 separate items, nearly all of which the committee decides on its own responsibility. For the week to which I am referring, when 128 resolutions were submitted to the Council, no fewer than 900 separate items came before committees and sub-committees, who spent in the aggregate over 60 hours in dealing with this business." That is one every four minutes, says my friend Mr. Bidder, who is quicker at figures than I am. "It is, I suppose, inevitable that these 900 items dealt with in committee; the 31 pages of agenda containing 128 proposals laid before the Council; and the 60 hours spent during the week in the steady grind of the committee room, should make far less impression on the mind of the average citizen than the half-a-dozen speeches, often on insignificant details, which are reported on the Tuesday afternoon. Yet it is not on those speeches, but on the unseen and unrecorded word which I have described, that the good government of London depends?—Quite so.

753. Now, do you not think you have got enough to do?—No.

754. Hungry still?—I think we are properly entitled, and I think that the body is sufficiently large, to manage the government of London in all municipal respects so far as it is vested in the Council or likely to be vested in the Council.

755. I see here the same gentleman says——?—I know the work very well, and it is very easy to make jokes.

756. Jokes! I think it is very serious?—I mean your reading a pamphlet of that sort; an election placard.

757. You do not mean to say Mr. Sidney Webb would have said what was not true, do

Mr. *Pember*—continued.

you?—I do not suggest that for a moment; but reading it in that way, without the slightest knowledge or idea of the Council, is not proper. If you wish me to give an account of the work I can give it; but I do say this, there is ample time. Take, for instance, the Water Committee. The Water Committee which has sat upon this question, and has been engaged in making investigations, because we have not got the materials at hand, has done its work. We have had our own staff, but none of the staff of the water companies; we have had to direct our engineers to make inquiries; we have had all these questions and Parliamentary papers before us on this water question. That alone is more work than would ever be cast upon the Committee to administer the water companies when they were transferred. Having got rid of that work, it would be free to do the other work.

758. Do you say that the work of the present Water Committee involves far more time than will be thrown upon the County Council by the administration of the eight water companies?—Certainly.

759. Have you the slightest idea of what the administration of the eight water companies involves?—Yes.

760. Have you been into one of their offices?—No.

761. Have you ever interrogated one of their directors on the subject?—No.

762. Have you ever looked upon that point, and surely it is an important one, or asked any one of their directors a question or two?—No, we have asked our own advisers.

763. What do you mean by your "own advisers"?—Our own engineer.

764. Mr. Binnie?—Yes.

765. Was Mr. Binnie ever an engineer to a water company, let alone a manager?—He will answer for himself. I think he was engineer to the Bradford Water Company, but he will answer for himself.

766. He was engineer to the Bradford Corporation, but they have a good deal to do with besides the water?—We know that Birmingham manages its water by a committee of eight.

767. So it may, I do not say that it may not?—We know Liverpool manages its water; it has only 72 members altogether.

768. Do you know how many are on the committee?—I do not know.

769. That is one undertaking, and supplies about forty or fifty million gallons a day at the most, instead of eight undertakings supplying 200,000,000 gallons a day?—I think there are about 600,000 people in the water district of Liverpool.

770. There is another point, and I think it is almost the last on which I should like to ask you a question; it is this: A great number of these gentlemen who are members of your County Council are gentlemen with businesses of their own, are they not?—Many of them.

771. Taking you yourself, you have a very honourable position, I believe, as the head of an important solicitor's firm?—Yes.

772. Which of course you cannot afford to neglect?—I do not know about that.

Mr. *Pember*—continued.

773. I did not mean to say you were not rich enough to do it, but you would not like to do so?—That may be.

774. Do not think for a moment I want to pry into your affairs at all; but there are plenty of other gentlemen on your council who are in the same position—men with affairs of their own to manage?—Yes; but although I attend, and have a good deal to County Council work, I have quite time enough to attend to my own work.

775. I know your energy is as great as your courage is undoubted, you will undertake anything; but still, that is the fact, is it not, that the majority of the members of the London County Council are persons with businesses of their own?—I do not think that.

776. A great number of them, of course?—A great number.

Mr. *Worsley Taylor.*] Would you mind reading one passage out of Mr. Sidney Webb's pamphlet at page 13?

Mr. *Pember.*] Yes. "The purchase of the water companies"?

Mr. *Worsley Taylor.*] Yes.

Mr. *Pember.*] Is that a tit-bit?

Mr. *Worsley Taylor.*] Yes, that is a tit bit.

Mr. *Pember.*] "But the protection of London from fire can never attain perfection so long as four distinct authorities jostle each other at every outbreak. The council's fire brigade has to secure the co-operation not only of the Home Secretary's police and of the insurance companies' London salvage corps, but also of the eight water competing companies. This brings us to a further problem. For over two years the Council's water committee has been quietly grappling with its colossal task, the difficulties of which cannot all be publicly stated, and are consequently not realised by impatient reformers outside. Now, at last, after much anxious inquiry and deliberation, the committee sees its labours near fruition in the presentation to Parliament of eight Bills for the purchase of the water companies' undertakings on terms equitable alike to the shareholders and the public. During the next few months the battle will be fought in the Committee room of the House of Commons, against all the forensic talent and expert energy which wealth can enrol in the defence of monopoly rights. But the Council has no intention of putting its head helplessly in the lion's mouth. The water companies have been beaten before, and may, in a democratic Parliament, be beaten again. The Thames is not the only, or even the best, source of London's supply, and when the time comes the Water Committees will show that its prolonged investigations for the protection of the ratepayers have not been thrown away." It is quite beautiful, Mr. Worsley Taylor.

Cross-examined by Mr. *Bidder.*

777. I have a few questions to ask you, appearing for the Southwark and Vauxhall Company, and also for the New River Company. I will endeavour to avoid so far as possible going over ground that Mr. Pember has covered, and he has relieved me of a great deal. In the first place I should like to ask you upon the last question he

cross-examined

Mr. *Bidder*—continued.

cross-examined you upon, the fitness of the London County Council to be the water authority, a question from the other side. Mr. Pember referred to, and asked you certain questions on the agreement entered into with the Surrey County Council. That covers, I think, the whole of the water supply of the Lambeth and the Southwark and Vauxhall Companies within the County of Surrey?—Yes, it relates to that.

778. And, as we say, the scope of that agreement is to give an option to the London County Council for two years to buy their proportionate part of the separate plant for the supply of the administrative county?—Yes, when the purchase is completed.

779. I am not going into that now, but suppose when the purchases are completed, and upon maturer consideration, the Surrey County Council elected not to exercise that option, then of course all that part of the administrative County of Surrey which is at present supplied by the Lambeth Company, and the Southwark and Vauxhall Company, would be for the future supplied by the London County Council, would it not?—I forget that reference to the agreement whether——

780. I do not think the agreement will help you?—One moment; I do not know whether they have got an optional power.

781. Of course they have an option?—I think that is only as to the future supply.

782. Look at Clause 1 of the agreement with the Surrey County Council, where it says that in the event of the Lambeth Bill passing into law during the present Session, then at any time not later than the 1st of August 1897, or at the expiration of two years after the price to be paid by the London County Council has been fixed, whichever shall last happen, the Surrey County Council may by writing require the London County Council to transfer or cause to be transferred, and so on. Then follow the provisions for apportioning and determining the price between them in case of difference. That is an option?—Yes.

783. They are not bound to do it?—No.

784. And if after the Bill has passed and the thing has been purchased, they consider that it is not in the interests of the county that it should be done, or if Parliament, for instance, refuses to give them the powers to carry it out, then I ask you is it not the case that the whole of that part of Surrey which at present is supplied by the two companies, would for the future have to be supplied by, and be under the control of the London County Council?—Yes.

785. And would you have no representation whatever upon the body which was controlling the water supply; is that not so?—Yes.

Mr. *Balfour Browne.*] I will take your opinion, sir, how far my learned friend, appearing for water companies, can raise this question. Of course it is a very material question, I daresay, for you to consider, and one of the local authorities, I think it is Wandsworth, does raise the question in their petition, but how it can affect these water companies, who will have ceased to exist, who are to be the purveyors of water in the county of Surrey afterwards, failing that agreement, I cannot see.

Mr. *Bidder.*] It is rather late for my learned friend to raise the question after my learned friend has been cross-examining and going into that point.

Mr. *Balfour Browne.*] Better late than never. I want to save time as much as possible.

Mr. *Bidder.*] I think the Committee, as I understand, intimated that the question whether the London County Council was a proper authority to buy the water companies, was the question which they desired to consider, and I am addressing myself to that question as a water company that it is proposed to buy; I object to the terms of purchase, and I object that you are not the proper people to buy me.

Mr. *Balfour Browne.*] This difficulty which my learned friend, Mr. Bidder, points out, occurs after his company has ceased to exist.

Chairman.] We will hear the evidence.

Mr. *Bidder.*

786. I am objecting you are not the proper people to buy me, if I am to be bought in the public interest. (To the *Witness.*) Will you kindly answer my question? Is it not the case that unless, and it applies equally to other outside districts in connection with other companies, as in the case of Surrey, they exercise an option to buy that portion in their county, they would be supplied by, and be under the control of the London County Council without any representation whatever?—Yes, they would, under the 5th Section of the Agreement, stand in the position to the County Council as they stand now in reference to the Lambeth Company. There is an express provision——

787. Pardon me for saying so, but you have not answered my question; the 5th Section of the Agreement relates to what would happen if they did buy?—No; until the work should be apportioned.

788. But that is all a condition assuming that they did exercise the option to purchase that part?—No.

789. I beg your pardon?—I do not read it so. If there is no notice there will be no apportionment, and the clause says that unless there is an apportionment, then the County Council shall be liable to supply that portion of the Lambeth district that is in Surrey in the same way, and subject to the same liabilities and rights as Lambeth is now subject to, that is to say, that the transferee, whether it is vested in the council or whether it is vested in the company, will have the same rights, and be in the same position.

790. I take you upon that Clause 5: that simply put in other words exactly what I suggested to you, does it not, that unless and until the Surrey County Council buys under this agreement their part of the undertaking, the London County Council takes the control of the supply of Surrey?—No. Stands under the same liabilities, and in the same position as what the Lambeth Company now stands in.

791. That is, that the London County Council becomes the purveyor of water for that part of Surrey?—The purveyor of water subject to all those obligations and rights which the Lambeth Company are now subject to.

Mr. *Bidder*—continued.

792. If you please, and assuming that Surrey or any other outside district does not exercise the option to buy, the result would be that in all perpetuity and for all time those districts would have a water supply which was controlled by the London County Council?—No more control than what the Lambeth Company now have.

793. I do not care whether it is more or less, but it would be under the sole control of the London County Council?—As assignee from the Lambeth Company, they would exercise all the powers and duties, and be subject to all the obligations Lambeth is now under.

794. But at present Lambeth is not more interested in the metropolis than it is in the other parts of the district of supply; obviously its one object is to gain a profit all round, is not that so?—Certainly. It is under different obligations.

795. But the London County Council is interested simply in the ratepayers of London, is it not?—No, it would be under the same obligations under this agreement.

796. Yes, under the same obligation, but the interest is very different?—No, the interest is not different at all. It would not disturb anything with regard to the relations of the areas outside.

797. Is it not clear that there would be a diversity of interest between the metropolis and the districts outside?—No, I am not aware that there would be. I do not see how it is likely to arise.

798. Look at page 36 of the proceedings of the 16th of May in this room; there is there a paper which you yourself put in; under the head of "Doubts whether a Commission or Trust would be much improvement on the Companies," in the last paragraph it is summed up in this way: "In short, the Commission would be representing the consumers of water throughout the whole area of supply, whose interests are by no means identical with those of the metropolitan ratepayers, who might nevertheless be compelled to keep the Commission going by keeping up any deficiency in income"; is it not obvious that that is true, that the interests of the outer districts are by no means identical with the interests which the London County Council represents?—That does not refer to or contemplate the condition of things which the 5th Clause of the Agreement does contemplate: This does not make the Council and put upon the Council the obligations to keep up and maintain the duties of the particular water company in any particular district. This deals with it as if it were free.

799. But the whole scope of your Bill proceeds on the assumption that it is in the public interest that the water supply should be controlled by the public authority representing the district?—Yes.

800. Why does not the principle apply outside the boundaries of London as well?—So it does.

801. I mean assuming the water supply is to be taken over?—So it does; and I anticipate the water authority, if the County Council do not take it, would be some other local body outside, and that the supply would be vested in some other local body outside, whether County Council or not, is a matter for Parliament to determine; but so long as it lasts I apprehend there would not be the slightest effect upon the outside area as regards their rights of supply, or their powers of demand, if, as is provided by this agreement, the County Council, as the assignee of the company transferring, was made liable to all those obligations which that company is liable to.

802. I am not sure that I caught the drift of your answer, but did I understand you to say that it would probably ultimately be necessary to introduce representatives on local authorities outside?—No; I say that if the County Council is not the authority there will be no other authorities which it may please Parliament to introduce.

803. But is it not obvious in principle that, if this is to be an undertaking controlled by a public authority, and supplying both London and places outside London, that the suburban districts ought to be represented on that authority?—No, they ought to be represented on that part either through their county council or something else which is within their county.

804. But assume it is not cut up into parts, which seems to be rather an inconvenient thing, and that it is made into a water undertaking as a whole, is it not clear that on principle the controlling water authority ought to contain representatives on those parts which are out of London?—I do not think so.

805. You do not think so?—No, not under those conditions.

806. Your own Committee has reported that there is a direct conflict of interest between the outer districts and the districts which you represent. You know that, do you not?—They have not reported that there is any direct conflict where the council is made liable for the obligations of the purchased company.

807. You rather surprise me; you contradict me, and say you have not reported so; will you kindly turn to page 31 of the proceedings on the 16th. I see, when you reported on the London Water Commission Bill, which did propose to have 21 members of the County Council and 22 members from outside districts, and soon your Committee went on to say, "Upon the questions above indicated it may be assumed that the 21 members representing the London County Council and the 22 members representing the outside districts have opposing interests." I do not know why, in the face of that passage—probably you had forgotten it—you contradicted me when I suggested that your Committee reported that there would be opposing interests between the out-districts and the metropolis?—No, I say that that does not refer and does not take into consideration that the council or water authority is bound by statute to perform the obligations of the purchased companies. It assumes differently.

808. Will you kindly distinguish between a man's duties and his interests. You may be quite right about the obligations; I am asking you not about the obligations, but about the interests, and I draw your attention to this, that your

Mr. *Bidder*—continued.

your own Committee has distinctly pointed out that the interests of the outside districts are directly opposed to those of the inside districts? —I consider that only relates to an entire purchase free from all restrictions; but the question that Mr. Bidder addressed to me, Sir, was, supposing the county council does not purchase, then will not the outlying district of Surrey have antagonistic interests to those of the same company inside the county, and my answer is that if, as is proposed, the council is made liable to all the obligations of supply to all the other conditions to which the Lambeth Company is now subject to, the mere transfer and vesting of the company into the council with those obligations will place the outside area in no different position to that which we now occupy.

Chairman.] I think you might proceed to another point. I think we have your question and Mr. Harrison's answer.

Mr. *Worsley Taylor.*] I might remind the Committee that this point is not even raised in my learned friend's petition.

Chairman.] Never mind; it has been disposed of.

Mr. *Bidder.*

809. (To the *Witness.*) Now I want to come to a point with reference especially to the Southwark and Vauxhall Water Company. You were good enough at Question 140 to state to the Committee that the Southwark and Vauxhall Water Company were drawing water at the present time in excess of their statutory powers: what was the ground upon which you made that statement?—Information given to me by the engineer, who will be called as a witness, and he will verify it; I only state it.

810. That is a statement which you cannot verify yourself, but you refer me to the engineer? —I do.

811. Mr. Pember cross-examined you as to the possibility of bringing in one Bill for the eight companies instead of separate Bills for each company. In that particular, whether convenient or inconvenient, you have practically thrown over the recommendations of Sir Matthew White Ridley's Committee, have you not?—In what respect?

812. I will read you what I refer to.

Chairman.] I do not quite gather the purpose of your question, but you know that the Committee have come to the conclusion that they accept the first paragraph of the Report of Sir Matthew White Ridley's Committee.

Mr. *Bidder.*

813. This is the third one, Sir; it is the recommendation of the Committee that the London County Council, if constituted the water authority, should be required to purchase, either alone or in conjunction with such authorities as may be arranged, the undertakings of the eight companies by agreement, or failing agreement, by arbitration within a fixed period. (To the *Witness.*) That is to say, it is the specific recommendation of that Committee that you should be required, if you intended to become the water authority, to purchase the whole eight companies within a fixed period?—I believe that is the finding.

Mr. *Bidder*—continued.

814. And you put that aside entirely in your present proceedings, do you not?—We have objected distinctly to the requisition that we are to purchase blindly.

815. Certainly; then you are in that respect distinctly claiming to proceed contrary to that recommendation of that Committee?—We claim not to be required to purchase absolutely in the first instance in an open arbitration.

816. I have read your cross-examination upon that point, and I do not propose to ask a word which Mr. Pember has asked you over again?—We are willing to purchase; as you will see, the council has adopted a resolution to purchase on fair and equitable terms, but they object to being required to purchase not on fair and equitable terms. That is the simple issue between us.

817. I am not going to be drawn into cross-examining you upon it; it has been done already. I only want to get that matter clear. Then, again, in the direction to the arbitrator in Clause 6 you appear to me inferentially to throw over the conclusions also of the Royal Commission, because you speak of the probable necessity of the future introduction of a new source of supply. You propose to direct the arbitrator——?—No; we say the whole scope of Clause 6 is that the arbitrator shall not be excluded from going into the whole of that question.

818. I beg your pardon, nothing of the kind. That is a mistake of yours, because he would not be excluded any way. I do not want to repeat my learned friend Mr. Pember upon that. But you direct that he shall consider the probable necessity of a new source of supply. Now you are aware, are you not, that the Royal Commission which you yourselves applied for, and which sat at your instance, distinctly reported that the Thames was a sufficient source of supply for London for a very long period of years to come —40 years?—Not without shifting the intakes.

819. Not without further works?—Not without shifting the intakes.

820. I beg your pardon; I must challenge you upon that instanter. Will you show me any passage in the Report of Lord Balfour's Commission which says that it is necessary to shift the intake?—As I understand, and reading the Commission—there will be other witnesses that will deal with that more fully than I can—it is that the reservoirs are to be constructed at great cost—some 20,000,000*l.*—up by Staines, and that the water is to be taken in at those reservoirs, and that that is to be the source of intake, the object being to get rid of taking any water during flood time. However, that is a matter which can be dealt with by the engineers and others who have studied the question.

821. We all know that the Royal Commission suggested a mode of getting an additional supply by the construction of reservoirs at Staines?—And without it that the supply ought not to go on.

822. Have you got the Report?—No.

823. Where did they suggest there was any occasion to shift the intake for the present supply

Mr. *Bidder*—continued.

supply. Have you the Report?—I could not possibly read that Report in the witness box.

824. But I must challenge you as to that statement?—I do not assert, but I say my reading (and there will be other witnesses who will deal with the matter) and, as far as I am concerned, my impression of the recommendations of the Royal Commission were these, that reservoirs to the extent and cost of something like twenty millions, the amount not being mentioned in the report, should be established at Staines.

Chairman.

825. Do you consider that covers the words in the Bill, "A new source of supply"?—Yes, I regard a new source of supply as a new intake.

Mr. *Bidder.*

826. Do you mean to say that in Clause 6 when you direct the arbitrator to consider the probable necessity of the future introduction of a new source of supply, you meant by those words shifting the intake to another place up the river. Do you really mean to say that you meant shifting the intake farther up the river?—I take it that is one of the subjects which would fall within the meaning of that provision as I understand it.

827. I have challenged you, and you certainly do not accept the challenge to point to any passage in the report which suggests any necessity for shifting the intake?—I do not without examination.

828. Now, I must challenge you on another statement. At question 391, you made the assertion that the reservoirs contemplated by the Royal Commission would cost fifteen millions of money?—That you will get evidence about.

829. What is your authority for the assertion?—The statement of our engineer will be called.

830. Very good.—You say, "I say that because Mr. Binnie told me so." That satisfies me as far as you are concerned. Again, I am going to avoid repeating Mr. Pember, but I must ask you one thing. You gave him a great many explanations as to what was to happen after you had entered, and how you would get over any difficulties arising from your entering into possession before you paid the money, but I want to ask you this simple question. You know that it is the invariable custom in other cases to pay before you enter. Now, in this case what reason have you to give why you should enter before payment?—I think, myself, the machinery of carrying out the sale or transfer can be best done in that form.

831. Would you mind condescending a little. As far as conducting a business, I suppose, it is obvious that the companies without any disruption can continue to carry on their business whilst the arbitration is going on, and until you tender them the consideration. Now what is gained; you had a good deal of discussion with Mr. Pember as to what might be lost or not lost; but what justification have you to suggest for being allowed to take possession before you have paid the consideration?—We are keeping up their payments in the interim.

Mr. *Bidder*—continued.

832. What do you mean by saying you are keeping up their payments in the interim?—The Council is by the Bill liable to pay the income that they are now receiving.

833. But allow me to point out to you that that is not a justification for entering. If they continue to manage their own business until you pay them they will pay themselves?—There must be some time.

834. Will you give me any reason why you should step in before?—I think for the convenience of working out the transaction.

835. What convenience? How will it be convenient?—There are many matters of convenience.

836. In what respect? Illustrate it by one?—I think with reference to outstanding accounts; I think with reference also to many other matters; with regard to the debenture question, for instance. I do not know quite how you are to deal with that except you have it in this form, and I cannot quite see any other means of so satisfactorily working out the transfer as that which is proposed by the Bill.

837. Let us take what you mentioned first, the outstanding accounts. Why is the transfer of outstanding accounts easier managed at one date than another?—Because if we make the payment on account of your existing income it becomes then a mere book-keeping matter and a matter of adjustment in the business, but if you are to draw a line and to make a transfer as from a particular date you will have to go through each account outstanding, you will be in different relations with the consumers, and you would have outstanding debts and other matters which it would be extremely difficult to adjust without a vast machinery of clauses which would be very inconvenient, and there would be no prejudice to the water companies. It cannot matter to you if you get your income.

838. I beg your pardon, it matters to us a very great deal, but I am putting to you what justification?—I have ventured to give you the justification.

839. Is it not obvious to you that whatever the date when the income ceases to be ours and becomes yours, whether it be an appointed day or the day when you pay the money, you must draw the line in all the ledgers, and you must in every separate account say "from this day the water rates are ours, and up to this day they are yours?"—Yes, and with regard to the income as I say, of course, you must have an appointed day, and whether you put a nominal day for the completion of the purchase——

840. Exactly the same process of settlement will have to be carried out whether it be before or after?—The process of the arbitration would, I think, be much easier to fix, if there is a fixed date, because then you draw a line and you know exactly when you are entering into the arbitration; from what date the calculation should be made.

Chairman.

841. Is there any precedent that you know of for that?—I am not prepared to mention any.

Mr. *Bidder.*] I think, sir, there is no precedent at all for it. My learned friend Mr. Baggallay has found out a passage with regard to the report of the Royal Commission. (It is paragraph 182 on the last page of their report, page 72) which distinctly shows, I think, that they did not contemplate any moving of the intake of the water companies: "We are of opinion," they say, "that by the construction of storage reservoirs in the Thames Valley at no great distance above the intakes of the companies it will be possible to obtain an average day's supply of 300,000,000 gallons without taking in any objectionable part of the flood water." They refer specifically there to the present intakes, and they do not suggest any alteration of the intakes.

Mr. *Worsley Taylor.*] There are the words "above the intakes."

Chairman.] Let me interrupt you for one moment. It is true they say here "at no great distance above the intakes of the companies," but the point I asked you about before, Mr. Harrison, was this, and I want to call your attention to it again; the probable necessity of the future introduction of a new source of supply, would it not be a more probable construction of that paragraph for the arbitrator that that referred to an entirely new source of supply, say for the sake of illustration, from Wales.

Witness.] To both. As I understand, if you say that you shall not take water in the lower river because of its being full of flood and bad water, and you shall go to a reservoir higher up, that is a new source of supply.

842. I mean to say on the point raised by counsel, you did contemplate this instruction, if I may call it so, would have been in conflict with the finding of the Royal Commission rather. Understand I am not expressing any opinion on it, I am only asking the question in order that the Committee may see what they have before them?—Quite so. What I intend and would say is this, that the words "new sources of supply" would infer new sources of intake from the river Thames, or an entirely new source, be it from Wales or any other outside district. I intended both of those conditions. I do not limit it. I was only asked as to the Thames.

Mr. *Bidder.*] Now, with reference to the position of the Southwark and Vauxhall Company upon the sixth clause; I am not to be taken as agreeing to any paragraphs I do not cross-examine upon, as Mr. Pember has done it already.

Chairman.] We quite understand that.

Mr. *Bidder.*

843. (To the *Witness.*) You said something to Mr. Pember about regarding it as fair, that his Company should be treated as willing sellers. I suppose you will not say in the case of the Southwark and Vauxhall we are willing sellers, would you; you do not suggest that, do you?—No, not in form.

844. And therefore that we are unwilling sellers, and ought to be treated as such?—Well, that is a question for the Committee.

Mr. *Bidder*—continued.

845. And therefore a proper question for me to put to you. Being unwilling sellers, do you suggest that we ought not to be treated as unwilling sellers?—I think so, looking to the whole history of the matter.

846. It is so easy to say looking at the whole, I know; but what do you mean by that, what is there in the whole that makes it unreasonable when you admit that we are, in fact, unwilling sellers, that we should be treated as such?—Because, I think, looking to the whole considerations that have arisen and surround this water question, and the circumstance that it is in the public interest that this transfer or purchase should take place, you should not be treated as unwilling sellers.

847. Pardon me for putting this question: In every case where a water undertaking has been compulsorily taken from the water company and transferred to the municipal authority, has it not always been done in the public interest?—Yes, it has been done in the public interest.

848. Always?—Yes.

849. And yet, as you know, I suppose, Parliament has always treated it, where it was a compulsory purchase, as a compulsory purchase?—I do not know that.

850. Do you not?—You must ask other witnesses, because I do not know that.

851. In what respect does the case of London taking, in the public interest, the water supply from the companies differ from the case of Birmingham, or Manchester, or Stockton, or any other towns throughout the kingdom doing the same thing?—I do not know what the arrangements were, whether it was by agreement or not in those cases, or whether it was compulsory purchase.

852. But do you not know that in every case where Parliament has sanctioned or insisted upon a company handing over its undertakings to a public authority, it has given it the right to have its undertaking valued as under the Lands Clauses Act?—No, I am not aware of the precedents; I tell you I am not.

853. I will make you aware of a few of them in a very few minutes. I will take one of this very year: the Ambleside Water?—It is quite useless, because I am not aware of it, and I am not qualified myself to speak upon these points at this moment If you state a thing, you must state it on your own evidence, and not on mine.

854. You may take it from me, because I was counsel in that case. The Ambleside Water Company had not the rights of a statutory company, but was simply a private limited company, and the Ambleside Company wanted further powers, and the Ambleside local authority asked Parliament, and asked a Committee presided over by the honourable Baronet on the Chairman's right to reject those powers, in order that they might acquire the undertaking. The Committee did so, and this year the local authority came to take the Ambleside Company's undertaking. Now, will you read to the Committee the clause which Parliament has inserted in that case?—You may read it.

855. "The company shall sell, and the Council shall purchase the undertaking of the company

Mr. *Bidder*—continued.

for such price or consideration, and on such terms and conditions as may be agreed upon between the company and the Council, or as failing such agreement shall be determined by arbitration, in accordance with the provisions of the Lands Clauses Act with reference to the purchase and taking of lands otherwise than by agreement, and in the construction of the said provisions the expression "the promoters of the undertaking" shall mean the Council, and the expression 'land' shall mean the undertaking of the company pro-provided that for the purpose of any such arbitration the sale and purchase shall be deemed to be a sale and purchase by compulsion and not by agreement." What do you think of that, Mr. Harrison?—I am not able to offer any opinion upon that, because I see that there is introduced a distinct declaration of Parliament, that it shall be regarded as if the parties were not proceeding by agreement; I do not know the circumstances.

856. As a matter of fact, the company did not want to sell and only had to yield to the decision of Parliament last year, and this year that they ought to be taken over by the municipal authority?—I cannot offer any opinion about it.

857. Now I will take another which has just become law; it got the Royal Assent a few days ago, I believe, called the Felixtowe Water. Perhaps you will be surprised when I tell you that this was not a statutory company but simply a private limited company which had gone there on its own account, after providing that they should not spend more capital without the consent of the local authority it is provided here: "Any such sale or purchase shall be for such price or consideration on such terms and conditions as may be agreed upon between the company and the council, or failing such agreement as shall be determined by arbitration, in accordance with the provisions of Lands Clauses Act, with reference to the purchase and taking of land, otherwise than by agreement provided that for the purpose of any such arbitration the sale and purchase shall be deemed to be a sale and purchase by compulsion, and not by agreement." What do you say to that?—I do not know of those.

858. You may fairly say you do not know the circumstances of those cases?—I do not.

859. I can give you a third, which was before Sir James Ritson's Committee last year. Chesterfield Water and Gas, where the Committee rejected further powers, on the understanding that the municipal authority would take it over, and perhaps you would be surprised to hear that in that case also they have been entitled to be compensated according to the Lands Clauses Act?—I am not familiar with the case.

860. I have plenty more I can give you, dozens of them; but taking those that I have read to you where they did not agree, and the price was settled by arbitration under the Lands Clauses Act, the purchase being regarded as compulsory, can you suggest any reason why that should not be fair and proper in the case of the London Water Companies?—I have already said that in my opinion, looking to the whole of this question, and to its magnitude, and to its being so necessary on the ground of health, that the transfer

Mr. *Bidder*—continued.

should take place, I do not think in this case, that there should be any compulsory price added; the 10 per cent. clause.

861. What has the magnitude got to do with it? Do you mean to say that the dimensions of a town exempts it from its obligation to do justice?—I think the largeness of the town and the evolutions in aggregation of people make it of great importance for health purposes that larger considerations should enter into the question.

862. What do you mean by larger considerations?—That it should be treated differently.

863. How does the largeness of the town or the importance of the health of the people make it less equitable that you should pay the full price of the undertaking, than in towns where there are three or four hundred thousand people?—I think that the whole question, as Parliament as got to deal with it, of water supply is to a great extent influenced by the consideration of the necessity of having water supplied to a larger extent than now exists to the large population, and that the very circumstances of the size, influences and makes a purchase under these circumstances different on the ground of public policy to those which would take place in a small area and with a smaller number of persons.

864. I think you will hardly be bold enough to suggest that the health considerations are more urgent in London than they are in other towns?—I think they are.

865. As a matter of fact, to begin with, is not London one of the healthiest towns in the whole kingdom?—I believe so, at least it is high up on the list.

866. And according to the Report of the Royal Commission is not the quality of the water supplied by the companies much above the average?—I do not pretend to give evidence upon that.

867. I ask you whether, according to the Report, it is not so?—Well, if you look to the passage it will speak for itself.

868. I thought it had been read already; but if it is new to you I will read it again. It is paragraph 178 of the Report of the Royal Commission: "We are strongly of opinion that the water as supplied to the consumer in London is of a very high standard of excellence and purity, and that it is suitable in quality for all household purposes." It is open to you to say that the Royal Commissioners did not know what they were saying or anything of that kind, but according to the Report of the Royal Commission, there was no particularly urgent case upon sanitary considerations made out, and that was a unanimous report as I am reminded?—That Report, of course, states that which you have read, but I view this question with regard to the health of London as being a matter which requires different treatment on account of its enormous size with regard to water.

869. Then it is the size—it is the bigness of the business, and, therefore, the bigness of the sum which you put forward as your own argument to the Committee why they should not apply the same equitable principles to the London water companies that have been applied by Parliament

Mr. *Bidder*—continued.

Parliament everywhere else?—For myself I do not think that any precedent relating to a small area such as you have mentioned is applicable to this particular subject; it is only a matter of opinion.

870. Then it comes to that, taking all the cases in which Parliament has dealt with compulsory purchase all over the land, there has been nothing so big as London, and therefore the universal practice of Parliament hitherto should be ignored in this case, because of the great size of London?—I say that with reference to those particular precedents you mentioned.

871. But I beg pardon; I have any number more for you if you like?—All I say is, I am not aware of them.

872. But I can gradually make you aware of them. There is the Northwich Local Board Act of 1885. "Within one year of the passing of this Act"——

Chairman.] I think you need not go through that.

Mr. *Bidder.*

873. If you please, sir. (To the *Witness.*) I will shorten it by putting this one question to you; can you produce one precedent from the statute book, in any way justifying the legislation you are proposing in this Bill?—I have said I can produce no precedent to the Committee.

874. And therefore you agree that we shall be justified in saying to this Committee that that mode of purchase which you are proposing is without precedent, and contrary to every precedent that has been enacted by Parliament?—That is a matter of argument.

874*. It is not a matter of argument, it is a matter of fact?—You cannot get it from me, because I tell you I know of no precedent.

875. You know no precedent that supports it all?—No.

876. And so far as you know it is contrary to the whole system of legislation?—That I do not know.

877. As far as you know, I say?—As a matter of fact, I do not know.

878. As you tell me you do not know, did you take any trouble before you had the Bill drafted to ascertain what the precedents were?—We left that and the advice as to that to the Parliamentary agent, who will be called as a witness.

879. We know Mr. Cripps knows as much about it as anybody. Did he succeed in producing any precedent?—Mr. Cripps will be called as a witness.

880. Is he going to be called as a witness to prove Acts of Parliament; that is a novel thing. There is one special matter which interests me very much in connection with the Southwark and Vauxhall Company. Just look at the last paragraph of Clause 6, at the bottom of page 8 of the Bill: "No allowance shall be made by the arbitrators in respect of any claim to make up the prescribed rate any dividend which shall have been payable more than six years previously to the passing of this Act, or in respect of any assumed future increase of the

Mr. *Bidder*—continued.

rateable value of buildings and hereditaments." Now, I am going to take them separately. Do you know the circumstances of the Southwark and Vauxhall Company at all?—Only generally.

881. I daresay you may be generally aware that it is the result of the amalgamation with the authority of Parliament of the two companies; those companies start from different dates, but very early in the century were amalgamated; I think in the year 1845?—Yes.

882. You are aware, of course, that the Southwark and Vauxhall Company, like other companies, is given a statutory right to a 10 per cent. dividend if it can earn it?—I believe so.

883. With a right to back dividends?—Yes.

884. Are you aware that the Southwark and Vauxhall Company, like a good many companies in their earlier history, for many years paid no dividends at all?—I cannot speak of my own knowledge.

885. Will you take the fact from me, subject to my proving it at the proper time; accept it from me that they paid no dividend for many years?—Yes. The proper statistical officer of the Council has the accounts, and he will be called as a witness.

886. But at present you will accept the fact; you shall not be committed to admitting anything?—I will accept it.

887. You may take it from me that since the amalgamation in 1845 their dividends have averaged between 3 and 4 per cent. Now, under those circumstances, if they have an opportunity by the growth of the district and by increased supply of recouping their losses in the past, is it just that under the provisions of this Bill you should sweep that away?—I have already explained that that provision is based on a similar provision which was inserted by Parliament in reference to gas dividends in gas cases. Gas was limited to 6 per cent.

888. But, forgive me, that was a bargain made in Parliament, a consideration for getting a monopoly; is not that so; am I not right, if you refer to the gas case, in saying that it was a bargain made in Parliament, and they got as a condition for it monopoly, where they had not monopoly before?—I cannot answer that.

889. Take that again from me, subject to correction; you have plenty of people who will correct it if it is inaccurate. Where is there any parallelism in this case; you are going to take away our undertaking and turn us out of it altogether?—We thought that was a fair——

890. Did you?—Yes, a fair proposal.

891. But here this is a case of deliberately taking away from us a right which Parliament has given us. Do you follow me?

Chairman.] What is the statutory dividend of the Southwark and Vauxhall Company?

Mr. *Bidder.*

892. Statutory dividend on original capital is 10 per cent., and on additional capital 7 per cent. On the original capital it is 10 per cent., like all the other companies. (To the *Witness.*) Is it not clear that the meaning of that dividend is

Mr. *Bidder*—continued.

that a young company in its early days is generally worked, if not at a loss, at a mere bare profit; is not that so always?—I understand, in the case of these water companies, it was so.

893. And the only prospect of profitable remuneration is future development of the district as years go on; is not that so?—Yes.

894. And in point of fact, generally, the fact that you provide mains through a district which is a suburban district is one great factor in development?—Yes.

895. Therefore Parliament, in giving the company a future right to take back dividend, is giving it power to get the fruits of its own capital expenditure in the past; is not that so?—Yes, that may be so.

896. Then may I ask on what principle of justice can you ask this Committee to put in a proviso which deliberately takes away that right of getting the fruits of its past energy and past capital expenditure which Parliament gave it in the shape of back dividends if it could earn them?—We base it on the precedent of the gas case, and I cannot say more than that.

897. I have pointed out that your precedent does not apply?—We venture to think it does.

898. Can you venture to suggest any principle of morality or immorality on which you can base it?—Under the circumstances we think it fair and equitable.

899. But how can it be fair; I have carried on business in a young and growing district for many years with no return at first, and always a lean return except for the last year or two; I have done that in the faith that as the district grew I should in time get a substantial return for my money; how can you say it is fair to put in a proviso now which says I am not to have that return?—I think you will find that there are a great number of considerations with regard to the question of back dividends, with regard to income, the proper application of it, the proper expenditure of capital, all these things will be spoken to by other witnesses. They will deal with that question, and I say that those considerations are considerations which make, in my opinion, this proposition a fair one under the circumstances.

900. When you talk about the proper application of back dividends, the back dividend is to go into the pockets of the shareholders, as remuneration for their past expenditure?—Yes; but if the shareholder has been employing his income otherwise than for income purposes, it may be quite proper on investigation, if that turns out to be the case, that he would not be entitled to back dividends, and I say that that is only one of the considerations.

901. Now you are suggesting it might be proper, but you propose to absolutely enact it in the case of each company.

Chairman.] Perhaps you will be good enough to put into the witness's hand the clause of the Act with reference to these companies under which they have that claim. We have not heard that yet.

Mr. *Bidder.*] It is contained in the General Act.

Witness.] It is under the 75th clause of the General Waterworks Act.

Mr. *Bidder.*] I will read the clause. It is Section 75 of the General Act, which is incorporated with this Act.

Chairman.] What is the date of the Act?

Mr. *Bidder.*] It is the Act of 1847: "And with respect to the amount of profit to be received by the undertakers when the waterworks are carried on for their benefit be it enacted as follows: The profits of the undertaking to be divided among the undertakers in any year shall not exceed the prescribed rate, or, where no rate is prescribed, they shall not exceed the rate of ten pounds in the hundred by the year on the paid-up capital in the undertaking, which, in such case, shall be deemed the prescribed rate unless a larger dividend be at any time necessary to make up the deficiency of any previous dividend which shall have fallen short of the said yearly rate." So that you see, sir, 10 per cent. is the limit of what may be divided in any year, but if in any previous year the profits have fallen short of 10 per cent., and there have been received only 9, 8, 6, or 5 per cent., you may take, when you get it, the additional profit in order to make up the difference.

Chairman.] And that is the clause under which you claim.

Mr. *Bidder.*] That is the clause which is incorporated in our Act, and under which we have the right to go back to the year 1845, when we were incorporated, and pay up all arrears of back dividends. Now, the proposal in this Bill is that, instead of having a right to go back to 1845, we shall be treated as if we only had a right to go back to the year 1889, in fact, where, as we have got at the present time the right to 50 years of back dividend (because we have never got near the 10 per cent.), you are asked to say that we shall be treated as if we only had a right to go back six years.

Witness.] Yes. You have omitted the next two clauses, which bear upon the matter, Clauses 76 and 77.

902. If you think they bear upon it you shall not say I have kept anything back from the Committee. I do not suppose you want to read the whole of the clauses. I will read the marginal notes. The marginal note of Clause 76 says, "If profits exceed the amount limited, excess to be invested and form a reserve fund"?—Yes.

903. Then Clause 77 says that the reserved fund is not to be resorted to unless to meet extraordinary claims. I do not see what that has to do with the matter?—It has a great deal to do with the matter if you will read it, because you will find Sections 76 to 78 provide for the formation out of surplus profit of a reserved fund, and by Section 79 it is enacted that, "If in any year the profits of the undertaking divisible amongst the undertakers shall not amount to the prescribed rate, such a sum may be taken from the reserved fund, as with the actual divisible profits of such year will enable the undertakers to make a dividend of the amount aforesaid, and so from time to time as often as the occasion shall require." There is a grave question whether you can take money for back

Mr. *Bidder*—continued.

back dividends, except out of the reserved fund so carried over and so appropriated. You will find that question discussed.

904. But you need not trouble your head about the reserve fund in answering me. You will remember my company has never been within miles of having a reserve fund; we have never got near the 10 per cent., let alone the surplus profits?—You will find that question discussed in the paper handed in by Sir John Lambert, in which he gives the legal opinion upon this matter in the report of Sir William Harcourt's Committee's proceedings, Appendix, page 229. There is a grave question out of what fund these back dividends, even if payable, are to be met, or whether you must not in the first instance carry over the reserve fund out of your profits, and that that reserve fund is the only fund wherewith you can feed the back dividends and pay the back dividends.

905. I am not much concerned about this grave question of a reserve fund. You know the Southwark and Vauxhall Company never had a reserve fund to quarrel about?—No, and therefore may never have a fund to meet back dividends.

906. Obviously the only chance we have of getting a return for our capital, because up to now we have not the average 4 per cent. as I have told you, is the increased rateable value of our district that is going on, which increases our water rental, is it not?—It is the increased supply, of course.

907. The growth of our district?—Yes, the growth of your district.

908. That is our chance of our being remunerated for expenditure?—Yes.

909. I mean increased water rental. Now you carefully in this clause provide that in every way we shall not have the right to the back dividends, and that we shall not have the right to ask an arbitrator to consider the probable increased value of our district?—Yes. You will recollect that this code of 1847, which gave the right to back dividends, whatever that may mean, also provided that any person could call upon the company to lay down pipes and supply water; but these Water Companies in 1852 exempted themselves from the operation of the 35th Section with regard to laying down pipes and supplying water, and therefore it is but equitable to take into consideration the whole of those circumstances when you come to consider the clause with regard to the back dividends.

Chairman.

910. Was any difference established then by law as to their claim for back dividends at that time?—No, not as to back dividend.

Mr. *Bidder.*

911. I cannot follow your reasoning; because we have accepted the restriction of the Waterworks Clauses Act, it is equitable to deprive us of the advantages of the Waterworks Clauses Act, is that it?—Certainly, you have restricted the general code of the obligation to supply in such way as to deprive the consumers of the benefit of competition, and that that circumstance must therefore be taken into consideration in considering back dividends.

Mr. *Bidder*—continued.

912. I do not want to repeat Mr. Pember, and you shall not take me into that. He has shown you that everything we have done, we have done with the authority of Parliament?—You have not abstained from supplying water by statute with the consent of Parliament.

913. I will not be drawn into repeating my learned friend's cross-examination. One other question. You, therefore, are carefully and expressly putting in words to prevent the arbitrator considering the prospective value of our undertaking; that is evidently so, is it not?—On that point, certainly.

914. You or my learned friend, Mr. Balfour Browne, spoke of the Stockton case. Are you aware that in that case, which is one of the biggest that ever came before Parliament, so far from Parliament excluding it they expressly provided that attention should be paid to the prospective value of the undertaking. Are you acquainted with that case?—No, I am not.

915. You know the Stockton and Middlesborough Water Company was taken by the Stockton and Middlesborough Act of 1876, compulsorily, and against the will of the company, the company drawing their water supply from the river Tees, and the local and municipal authorities asserting that the Tees water was filthy and polluted, and that they ought not to be allowed to take any more from it. And what is more, in that case Parliament on an application of the company refused to allow them to take any more water from the Tees?—I know nothing of those facts.

916. I am telling you so that you may know a little. In that Act the provision was that the Corporation should take over the statutory debt and pay the company a sum for the compulsory sale and for the prospective value of the company's undertaking?—I am not aware of that; I do not pretend to have looked into the precedents, and have never seen the Acts.

Mr. *Bidder.*] Then I have no more questions to trouble Mr. Harrison with.

Mr. *Pope.*] I do not propose to ask anything, Sir.

Cross-examined by Sir *William Marriott.*

917. I should like to ask a few questions. You are a lawyer, Mr. Harrison, I think?—Yes.

918. Of high reputation, I may say. All I will ask you with regard to this sixth clause is this: does it alter the present law, or does it not?—The law of what?

919. The law of the land?—If you ask me whether it alters the procedure under a compulsory purchase under the Lands Clauses Consolidation Act, I answer clearly that it does.

920. Then it does alter the law of the land?—No, it does not alter the law of the land, but purchase under the Act it certainly does.

921. You want to be a purchaser, do you not?—Yes.

922. The companies are unwilling sellers, are they not?—Verbally, they so state.

923. You

Sir *William Marriott*—continued.

923. You do not believe them, but still they say so?—They say so.

924. Then do you consider it fair for a purchaser who wants to buy a commodity before he makes the purchase to alter the law, so that he will get it cheaper and the seller get less?—I do not know the view that as——

925. I wish you would say yes or no. Is it fair for a would-be purchaser to try and alter the law so that he may get the goods cheaper from the seller who has had to buy it under the law as it stood originally, is that fair?—I can hardly answer that question.

926. Why not, it is a very simple question?—No.

927. Is it not? What is the object of your alteration of the law?—In order that the tribunal may be in the same position as this Committee is.

928. Not a bit, you want to get it cheaper, is not that it?—No.

929. What; come, Mr. Harrison, do not you want to get these companies as cheap as you possibly can?—Certainly, at a price fair and equitable.

930. Say yes or no?—Certainly.

931. Do not you think you will get them cheaper by altering the law?—I do not consider, and you must not put into my mouth that it is an alteration of the law. It would be an alteration of the law of reference; it would be an alteration of the law of taking property compulsorily under the Lands Clauses Act, but it would not be, and is not, an alteration of the law generally, because we are here asking Parliament to allow this tribunal to occupy the same position that the Committee does, namely, to consider all the circumstances.

932. Do let me ask you this question: Is not the Lands Clauses Act of 1845 a public Act?—Yes.

933. Are you not trying now to alter it by a private Act?—No.

934. Are you not trying to alter?—Now, we are trying not to allow it——

935. If you are not trying to alter it what is the good of these clauses?—We are trying not to alter it, but not to allow it to be incorporated, which is quite another thing, into this particular purchase.

936. What do you mean by "incorporated"?—Unless the Lands Clauses Act is incorporated into the Bill the purchase would not be subject to those terms.

937. In every private Bill where you take compulsorily any land or anything else, is not the Lands Clauses Act incorporated?—Yes.

938. Then why make an exception in this case?—Because I think the circumstances justify it.

939. As I say, you want to get the property cheaper?—No, I want to purchase it other than by and under the Lands Clauses Consolidation Act.

940. Then you want to abolish the Lands Clauses Consolidation Act with regard to this particular scheme?—I do not want to abolish it, but I do not want to incorporate it; they are different things.

Chairman.] I think we understand the point.

Sir *William Marriott.*] Quite so, Sir. I will leave it where it is, but this would alter it no doubt.

Witness.] There is no law that it shall be so applied.

Chairman.] I only meant to say we quite understand the contention of Mr. Harrison. I was not expressing an opinion.

Sir *William Marriott.*

941. (To the *Witness.*) I understand the intention is so to alter the law, that property belonging to water companies may be bought cheaper than they otherwise would be?—That is your contention, not mine.

942. Supposing this Bill is passed as it stands, would you in your opinion be able to buy them cheaper than if these clauses were not in?—I certainly think that is very likely.

943. Do you mean to say that that was not the object of the County Council?—The object is, no doubt, to get them on fairly equitable terms, and if that result works out no doubt it will be so.

944. Is not it the object to get it cheaper under this private Act, if it is passed, than you would get it under the Lands Clauses Act?—No, the public Act is only a code laid down, and unless it is made by special legislation, applicable to the particular case, and incorporated into the Act, it does not apply, and we ask Parliament, under the circumstances, not to incorporate it.

945. May I take it in this way: that you ask Parliament by this Bill, that you may be able to buy property differently to what any property has been bought since 1845, for public purposes?—That this particular property may be bought differently, certainly.

946. From any property which has been bought since 1845. I think I may leave it there. You told my learned friend, Mr. Bidder, with regard to the Southwark and Vauxhall Company that they were not willing sellers. You stated in your evidence that in 1880 all the companies were willing sellers?—So they were. They entered into agreements voluntarily and no 10 per cent. compensation.

947. Is it not the fact that in 1880, when Mr. Smith wrote to every one of the companies, they all said they were unwilling, and declined to sell?—But they, in fact, entered into agreements. I do not know what they wrote.

948. Are you aware that they did not want to sell?—Whether they wanted to sell or not, they did, in fact, enter into agreements to sell.

949. Did they enter into agreements on the condition that if they were compelled by Parliament they would do it?—The agreements will speak for themselves.

950. Will you deny that every one of them wrote to say that they did not want to sell?—I do not know what they wrote.

951. Why did you say they were willing sellers?—I said so because every one of them were parties to agreements which were submitted to Parliament, and which Parliament did not approve of.

952. I pass

Sir *William Marriott*—continued.

952. I pass from that. You do not know; you have not seen these letters?—No; other witnesses are more familiar with that matter.

953. In 1891, before Sir Matthew White Ridley's Committee, I think you were not in favour of the county council purchasing the water companies, were you?—How do you mean "not in favour"?

954. You were not in favour of purchasing at that time?—We had no power to propose anything of the kind.

955. But you were not in favour of purchasing in 1891, were you?—I do not understand you; will you refer me to the statement.

956. If you look at your evidence, page 329, you will see what I mean?—I think you will find that the whole question turned there upon the period when——

957. This question was put by Mr. Freeman: "I want you to carefully consider the question as regards the purchase from and dealing with the water companies themselves; in your opinion is the county council, conjointly with the corporation of the city, at the present moment in a position, without further inquiry, to deal with that subject?—We think not. We have made very careful inquiries, and we think not, particularly with regard to the question of purchase, viewed from the light of the question of the purchase-money or borrowed capital that would have to be raised for the purpose of any purchase"?—Yes, until further increase; that was so.

958. Then may I take it that in 1891 you were not prepared to recommend the council to purchase?—To enter into a blind purchase without further inquiry.

959. Was the ground for that, the enormous amount of capital you thought it would require?—No.

960. No?—No, if you look at my evidence and read it, you will find the argument you are alluding to was this: that I considered the system of the incidence of taxation was extremely unfair in London, throwing it entirely on the occupier, and that we ought to have, simultaneously with the purchase involving any liability, an alteration in the incidence of taxation. That is the purport of that evidence.

961. I do not want to know the purport; I want to know what the answers were. Did you not state that in your opinion the purchase-money would be 40,000,000*l.*?—I do not know. I may have assumed a given figure, or I may have taken it from counsel, but I had no knowledge.

962. I think Mr. Rickards was examining you?—I daresay, and he may have assumed 40,000,000*l.*, but I know nothing about what it would cost. It was merely to illustrate the proposition that if 40,000,000*l.* was to be raised, it ought not to be thrown upon the occupier.

963. The question was, "You said that the burden of London was 40,000,000*l.*," and your answer was "Yes." Then the next question was this: "And now you object to having another forty millions put upon London by the purchase of the companies"; and then you say, "No, I never objected at all." And then afterwards you say that it would double the debt. Did you then think it would cost forty millions?—No; you ask me whether, if forty millions is added to forty millions, it would not double the debt; of course it would.

964. The last question asked you was asked by Sir Algernon Borthwick, and which I will read: "I would like to ask one question about the outlook of the unhappy ratepayer; if we deliver him from the water companies you tell me he will have to pay apparently the same rates with an addition of 300,000*l.* a year?—If it is done under the present system, you cannot help that." What did you mean by that?—If you will read the whole evidence, you will find this: it was upon the assumption that the purchase would involve a burden, and I objected then in my evidence to the purchase of the water companies first, without inquiries; and next, if it would involve, as it might probably do, an extra liability upon the present occupiers before the incidence of taxation was altered.

965. May I take it, then, that I was right; in the first instance, you did not wish the County Council to buy the water companies, because you thought it would put such a burden on the ratepayers?—No, not without further inquiry; that was the whole point.

966. What was further inquiry to do, or what has it done up to the present moment?—It has produced these Bills.

967. You had a further inquiry before Sir Matthew White Ridley?—Yes; we have been going on inquiring.

968. You asked for a further inquiry, did you not?—Yes.

969. And you got a further inquiry?—Not in the terms that we asked for.

970. You got a Commission over which Lord Balfour of Burleigh presided?—We got a Commission.

971. Was not that a good Commission?—The terms were not as large as we desired.

972. But was the Commission itself good?—I cannot pass an opinion.

973. You had their report?—If you ask me about their report I have my own opinion about it.

974. Do you agree with the report?—No, I do not.

975. Then having had that inquiry, what further inquiry have you had?—We have inquired more into the facts and into the position of the matter. We have obtained a great deal of information as to the sources of supply, and we have inquired more into the sources and the actual supply.

Chairman.] What witnesses do you propose to call after Mr. Harrison's examination is finished?

Mr. *Worsley Taylor.*] I think in all probability Mr. Bassett Hopkins, sir.

Chairman.] I was going to suggest (of course I do not want to interfere with your discretion) that the Committee think that possibly it might simplify matters if you were to call the Parliamentary agent. Mr. Freeman promised us that he should be called in order that we should see clearly what your contention is on the question

as to what matters the arbitrator may or may not go into if he were not controlled at all by the provisions of the 6th clause. You understand what I mean?

Mr. *Worsley Taylor.*] Yes, sir.

Chairman.] Because we think probably that may give us a clearer indication as to what course the inquiry should take in its subsequent stages. If it is not inconvenient to you, we should be very glad to have your view on that subject given to us by the Parliamentary agent, and also the views of counsel representing the Petitioners, which no doubt would come out in cross-examination; but I think you will all see that it is rather an element in this inquiry which, as I understand from Mr. Harrison, gives rather a new phase of the business of an arbitrator in this particular case.

Mr. *Worsley Taylor.*] That is a matter which we had very carefully considered, because we had felt it desirable in everybody's interest that the Parliamentary agent should be called at an early stage. I may tell you at once, sir, the decision we have arrived at, and what we thought would be most convenient for the Committee. We propose next to call Mr. Bassett Hopkins, who, perhaps, as honourable Members are aware, is a barrister, and who also had the advantage of being on the County Council. He is intimately acquainted with the water proceedings, and he would be able to give evidence on the Clause 6 point with considerable authority. After that we had ourselves proposed to call the engineer, and then Mr. Cripps, the Parliamentary agent; but if you, sir, think you would prefer to have Mr. Cripps called after Mr. Harrison, of course we should call him.

Chairman.] You can call whichever witness you please first, of course; but what occurred to me was that, if we could get a clear understanding at first as to your view, and as to the view of the Petitioners with regard to the scope of the arbitration, supposing it were not controlled by these particular sub-sections of Clause 6, it might guide us in the course of Mr. Bassett Hopkins' examination, because no doubt there are other matters which he will have to go into besides the question I am referring to at present, and I think the sooner we can get all the help possible from yourself and the learned counsel who appear for the Petitioners upon that point the better it will be. I think, also, it would tend towards shortening the matter.

Mr. *Worsley Taylor.*] My friend Mr. Balfour Browne is not here now, but I will consult with him.

Chairman.] Very well; but if you take a different view the Committee do not wish to compel you to call any one witness before another.

Mr. *Littler.*] I should like to say, with regard to what has fallen from my learned friend, I have not the slightest objection in this particular case to my learned friend calling Mr. Cripps, because of particular circumstances and particular facts he has got up; but I do respectfully protest against a new practice being brought up of gentlemen being called to prove to a Committee what English law is; foreign law, if you like. But the proper way of explaining the English law is by arguments of counsel and not by a witness, and I shall certainly object to a single question being asked on that point. Mr. Cripps, who has promoted a Bill, may very well tell you what he fears may happen; but as to his being an authority on the law, I protest against any witness being in that position. The authorities on law are my learned friends Mr. Pope and those around me.

Chairman.] You need not protest until you hear what we are going to do, and we mean to get as much information as we can on the existing law on this point.

Mr. *Littler.*] My protest is *quia timet*, because I know it has been attempted over and over again of late by the London County Council to produce gentlemen to advise Committees what the law is, and I have uniformly protested, with success, against it.

Chairman.] That will give you an opportunity of raising your point.

[Adjourned till To-morrow,
at Twelve o'clock.

Wednesday, 22nd May 1895.

MEMBERS PRESENT:

Mr. Ainsworth.	Mr. Muntz.
Mr. Baldwin.	Sir H. Stafford-Northcote.
Mr. Burnie.	Mr. David Plunket.
Sir James Kitson.	Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. CHARLES HARRISON, re-called; and Cross-Examined.

Sir *William Marriott.*

976. WHETHER the amount required for the purchase of these companies is 20,000,000*l.* or 40,000,000*l.*, you admit it is a very large business, do you not?—Of course.

977. In your opinion, for the successful carrying out of a large business, is it not essential that there should be some permanency in what you may call the board of directors, or the board of management, some element of permanency?—Yes.

978. I mean to say in all the great undertakings, such as the great railway companies (and I may say up to now the great water companies), the boards of directors have been founded on the principle of being more or less a permanent body; that is, there is a great element of permanence in them?—Yes, for commercial profits.

979. Do you say the London County Council has any element of permanence about it?—I should think so, very great.

980. How often is it elected?—Every three years.

981. How many members are there now who were members six years ago?—I think about 40.

982. What is the total number of members? One hundred and thirty-eight, including the aldermen. When I say 40, that is exclusive of the aldermen.

983. What is the number of elected members?—One hundred and fifteen, I think.

984. Forty of the same men having been on six years out of 115; do you think that a strong element of permanency?—Yes; quite sufficient for management.

985. Quite sufficient for management of the business?—Yes; for the management which would devolve on the committee. You have the staff, which, of course, will be permanent.

986. Then may I ask you this: Up to the present time has the London County Council been a good business body for managing the business that they have to do?—I should think very good.

987. Have you read the report of Mr. Holloway; do you know Mr. Holloway?—He is the works manager.

988. He is the works manager, and he has very recently made a report as to how the county council work is carried on, has he not?—Yes; we have established a works department, and on the exclusion——

Sir *William Marriott*—continued.

Chairman.] I think, Sir William, we cannot go into all these questions.

Sir *William Marriott.*] I shall be very short. I was going to read two passages in this report, which is very essential to the ratepayers' interest, showing that the work done by the county council is much more costly.

Witness.] That is not so; I beg your pardon.

Chairman.] I think we should get into a tangle. It hardly comes into our inquiry.

Sir *William Marriott.*] I was only going to read two passages from a report which has been just published, which shows that the council interfere very unnecessarily with the workmen.

Chairman.] Who is the report by?

Sir *William Marriott.*] By the manager of the works department of the county council. I will read the passages, and then ask a question. It is very short.

Witness.] If you ask me questions on that I shall have to reply.

Sir *William Marriott.*

989. He says: "With regard to the works we have done, Nos. 1, 2, 3, 6, 14, 18, and 27, they are considerably above the estimates?"—The estimates of what?

990. "In the case of No. 1, it will be seen that the cost is 2,817*l.*, or 25 per cent. above the estimate. In the case of No. 2, it is 6,621*l.*, or 30½ per cent. above the correct estimate." Then he gives these reasons: "One cause, in a large measure responsible for the excess, is the very heavy bills for wages which in No. 1 amount to 6,900*l.*, and in No. 2 to 14,000*l.*, or about 15 per cent. of the total cost of each case, which is 10 per cent. more than it should be, and it is quite certain that in these two cases we did not get the amount of work done by the men that we had a right to expect." Then he goes on to say this——

Chairman.] Is

Chairman.] Is this the report of an official of the county council?

Sir *William Marriott.*] Yes, of their manager; and a report that has only just been given in, and was debated on last Tuesday. Then he goes on further to say that the tendency of the workmen "to give a minimum amount of work for a maximum amount of pay has, however, been principally confined to the skilled workmen; in connection with this matter I am afraid the visits of individual members of the council to our works, who enter into conversation with the men employed there, is apt to be misconstrued. Some of the men store up their grievances, real and fancied, until councillors go on to the works when they are related, and often, I am afraid, in a most exaggerated form. Several of the foremen have complained to me of the bad effect this has on the men, and have stated that their authority over them is very much diminished owing to the misconstruction the men place on the effect which the relating of their grievances to these gentlemen will have. This effect is a most pernicious one." All I call attention to that for is with regard to the observation thrown out as to whether the county council was a fit body to have the management of these works.

Chairman.] Is there any paragraph in your petition or other petitions which would raise this point?

Sir *William Marriott.*] Only in this respect: that the county council are not a fit body.

Chairman.

991. Then let Mr. Harrison give his explanation, and we will trouble about it no further. (To the *Witness.*) Will you give your explanation? — Yes. The works department was established, and out of the first half-year's reports the profit over the estimates amounted to 30,000*l.* That was the first return. At that time the council had no proper works yard, and they established between that first half-year and the subsequent half-year new works and factories at the other side of the water. That involved a great deal of shifting of timber and of works, and a very great deal of expense, and the interest was of course charged, together with the whole of the initial cost of the establishment, so that one year's work, on making up the accounts of the succeeding half-year, with all that, the result of it was that, taking 250,000*l.* of works, they were done within 1½ per cent. of the total estimated expenditure. A certain section in the council objected, that upon particular items where there was an overcharge beyond the estimate, that those overcharges showed that one class of work was being carried on profitably. An attack was made by a certain section in the council on the Works Committee with regard to this loss of 1½ per cent. The result of it was that the architect made a report, and, with the exception of one or two items on which there had been a loss, on all the items there had been a profit within 1½ per cent. after charging all the original outlay, all the cost of the new work of the entire establishment to that one year's operations. Mr. Holloway, who was the manager of the works, was called upon to explain, if he could, with

Chairman—continued.

regard to those one or two items, what the causes were, and he then, in allusion to those two items (I forget which they are; if you will give me them——

Sir *William Marriott.*

992. The page I read from was page 13 and page 16 of Mr. Holloway's report?—Can you tell me which item it covers?

993. I referred to No. 1, which cost 2,817*l.*, or 25 per cent. above the estimate, and No. 2, which was 31½ per cent. above the estimate; there are others——

Mr. *Freeman.*] I do not want to interrupt, but may I point out that there is absolutely nothing, as far as I can see, in the petition of the company which you represent raising this?

Sir *William Marriott.*] We are all here for the other companies. I am here for the Chelsea Company especially, but I take common ground.

Mr. *Freeman.*] But so far as I can see there is absolutely nothing in the petition raising this point. Of course, if the Committee consider it relative, I do not desire to shut out anything; but in the interests of time, I suggest this is a new matter which will have to be answered at considerable length, and I draw attention to the fact that there is nothing in your petition about this.

Sir *William Marriott.*] In reply to that I arranged to act with Mr. Pember, and let him ask what questions he liked first, and I would ask anything left afterwards. This matter was not gone into, and yet the Committee especially called our attention to the fact whether we thought the London County Council a fit body to possess the works. Now their fitness depends entirely on how they can manage it, and I am only showing very shortly that hitherto they have been a great failure.

Witness.] No, they have not.

Chairman.] I think it would be quite impossible for us to go into a general review of the success or failure of the work of the county council. That would be quite outside the scope of this inquiry, and in point of fact it would be quite impossible for us to go into it. Therefore, if you will conclude this part of your cross-examination as you have begun it, by giving Mr. Harrison an opportunity of answering it, which would be only fair, it would be better, though it does not appear to arise on your petition.

Witness.] If I may be permitted to continue, the two items that Mr. Holloway's report objected to, were two items for buildings. One was at Yabsley-street, Poplar, the estimate for which was 10,943*l.*; the actual cost in the books, charging all establishment charges, including interest and everything, being 13,782*l.*; the other item was West View Armitage and Colleston Cottages, the estimate for which was 21,625*l.*, and worked out 28,244*l.* Those were the only two items. On the other hand, No. 11, the Fleet Storm Relief Sewer, estimated at 27,539*l.*, was executed for 22,045*l.*, and the Hangersmith Creek extension of sewer, estimated at 1,947*l.*, was executed for 1,096*l.* The upshot of it all was that the 260,000*l.* of work was executed

cuted within 1½ per cent. of the estimate, quite apart from the question of the works. In addition to that the Council have in value in hand 230,000*l.* of works, and although it is not possible to state anything definitely, the manager, Mr. Holloway, believes on the whole the cost will be below the total estimate. I am sure this half-year, now that we have got rid of the initial charges, will result in a very large saving. So much for the works.

Sir *William Marriott.*

994. Do you think it is a good thing for a political body to have such an amount of patronage as the acquiring of these waterworks would give to the County Council?—I do not know that the County Council is more political than any other municipal body in the kingdom.

995. Were not the elections carried on on strictly political lines?—By one side, certainly.

Chairman.] We will not go further into this.

Sir *William Marriott.*] I will not carry it further, Sir.

Witness.] At the present time Birmingham is constructing its own waterworks by its municipal officers executing its tunnelling and bringing its water into Birmingham, and controlling a great deal of municipal works and workshops established and now working at Birmingham with a Corporation of 72 members. In the City of London, close by us, the Commissioners of Sewers, who are the local authority for the whole of the Corporation of the City, are doing their own work, making their own carts, making their own harness and shoeing their own horses.

Chairman.

996. That hardly applies to the question of Sir William Marriott. I think that is a little aside his question, is it not?—I was only suggesting that municipal work undertaken by a municipal authority (gas, water, and so on), is capable of being done and is being done by other municipalities throughout the kingdom.

997. But the question Sir William was asking was with reference to the political character of the elections, which you have answered.

Sir *William Marriott.*

998. You told the Committee that the Council are unanimous in supporting this Bill?—Yes.

999. As a matter of fact recently, was not there a motion brought up that these Bills should not be proceeded with; no doubt the majority were not in favour of it, but there was not a very large majority without the aldermen against it, was there?—There was a motion brought up that they should not——

1000. Proceed with these Bills?—No, that was not so; that it should be referred to ascertain what would be the financial effect of working out the Bill on the purchase, and that was objected to and rejected by the majority, but there has been no objection raised in the Council to the progress of this matter.

1001. Do you not know it is a fact that nearly half the Council, those who are either called Moderates or Unionists, are for the control of the water companies, but not for the purchase; is not that so?—No, certainly not; and you cannot refer to a minute of that sort.

Sir *William Marriott*—continued.

1002. I will not lengthen this?—Will you refer to the minutes; we speak by minutes; read the minute.

1003. That is all I have to trouble you with.

Cross-examined by Mr. *Littler.*

1004. I want to ask a few questions for the Kent Water Company, and shall try as far as possible not to repeat anything that has gone before. As regards the Kent Company, the Kent Company is in the position, is it not, that at the present moment it is paying back dividends?—It may be so; I do not know the position of the accounts; I will not speak to them.

1005. I will tell you then that it has been paying a larger or smaller sum by way of back dividend for the last eleven years, beginning with paying a-half per cent.?—I have not looked into the accounts personally, and I have no knowledge at all about them.

1006. But I am informing you in order that I may put a question upon it. The condition of things I put to you is that the Kent Company has paid for the last eleven years back dividend, and at the present moment is paying as much as 2 per cent. back dividend; is paying 12 per cent in point of fact, 2 per cent of back dividend and 10 per cent in respect of its ordinary yearly dividend out of its earnings. You will agree with me, I am sure, under those circumstances, that their stock fetches more in the market than it would do but for that privilege. Obviously a stock which is paying 12 per cent. fetches more than one which is paying 10 per cent.?—Obviously; the more a stock earns, the higher the price would be in the market.

1007. Will you tell me why I am to have my back dividend limited to six years, when at the present moment I am actually paying it. It is still worse, of course, if there is no back dividend at all?—My answers have had reference generally to the companies, and I have explained the reasons why I think that that is a fair offer, and I do not apply that absolutely to every company. I do not know sufficient of the details of the particular company you are asking me about to enable me to do so.

1008. I do not mind about the details of a particular company, but it happens to be my company, or I should not ask the question. Assume a company is at the present moment in a position to pay 12 per cent. and consequently its shares stand higher in the market, why are you to depreciate the present actual value of those shares? I have done nothing wrong you know. Why are my shares to be depreciated in value?—With regard to limitation of back dividends, I think that as your charges were altered in 1864 by your Act, and were made at a standard far higher than those of 1852, and as you have absolved yourself from exercising the powers of competition in other districts, that this question of charges ought to be investigated by the arbitrator, and so far as it may affect back dividends, it ought to affect back dividends.

1009. But my powers of charging are one thing, and my powers as to back dividends are another. I will deal with both, but I am dealing with back dividends at present. At the present

Mr. *Littler*—continued.

moment I am putting into my pocket of right one-fifth more than the maximum limits by my Act under the powers conferred on me by existing legislation. I am paying a fifth more than I have a right to do under one portion of my powers, and in consequence of that shareholder A bought yesterday in the market for 20 per cent. more than otherwise he would have given for the stock, and he is perfectly content with his bargain. Now why is he to be deprived of it?—I think broadly that with regard to this and all the companies, they ought to stand in the same position, and I think they ought not to be allowed to go back for back dividend.

1010. Forgive me, that is existing legislation which every company in the kingdom has got; every company which incorporates the Waterworks Clauses Act of 1847 has that right. Why is it to be altered in this particular case, not by a general Act, but in your favour?—I say, because I think the time has come when it ought not to be allowed to extend to back dividends more than six years. This question of back dividends was very much discussed in Sir William Harcourt's Committee, and I do not think it ought to be recognised for a longer period than six years.

1011. That is opinion, but will you give me a reason why, when I have paid solid money in consideration of the fact that I am entitled to 12 per cent. instead of 10 per cent., I am to be deprived of it; not merely a matter of opinion, but give me a reason?—I can only base that opinion on general broad public policy, which I think ought to be applied in this case, and in all others.

1012. Then why not bring in a general Act, which would confiscate everybody's property all round?—I do not call it confiscation.

1013. Because you want to buy my particular property, why am I to be treated worse than any other human being in the kingdom who holds water stock?—I think, inasmuch as the abstract right is to go back to the formation of the Company, which I think was in 1808, you might as well say you ought to be entitled to go for back dividend to 1808; it must be stopped somewhere.

1014. May I suggest to you that all water undertakings in their beginning and for many years after were notoriously unremunerative?—That may be; if you state that, I have no knowledge of it.

1015. And is it not the fact that the Legislature expressly regarded that fact in giving the power to the owner who chooses to hold it to recoup himself to a certain extent by back dividend?—Yes, undoubtedly, if that clause is incorporated in your Acts, and if the whole of that Act had been incorporated in the Act, there might have been different considerations, but you have exempted yourselves from a very essential part of that Act of 1847, whilst retaining the dividend clause.

1016. May I suggest that is the case in every instance, both as to railways and all other companies?—No, that is not so. In the very instance we have before us Lambeth incorporates the whole of the Act of 1847.

1017. I know it did?—And it is the one company that is subject to it?

Mr. *Littler*—continued.

1018. And Parliament allowed us to incorporate only a portion of it. Lambeth has got back dividends, let me remind you; every one of them except the New River, which does not want it because it is not limited?—The New River has a clause——

1019. One moment. Every one of the companies which is limited by Parliament as to its dividend has had from Parliament the privilege of paying back dividend; why is that to be taken from them now?—Because it was incorporated under an Act of 1847, which would give power, as far as power to pay back dividends was concerned, to the original institution of the company. If you consider that some of these companies (the Southwark and Vauxhall, for instance) began to draw under their Act water from London Bridge, you might as well say that you have got a legal right to go to back dividends into the 16th and 17th centuries.

1020. Let me point out that the more you put it back the worse for you?—No; I say it ought to be reconsidered.

1021. Every transaction that has taken place in this stock must have taken place with the knowledge on the part of the seller and buyer that there was a prospective value attached to it, namely, the time when back dividend would be payable; is not that obvious?—No.

1022. Surely?—No.

1023. You have had a great deal of experience in these things; do you not know that it is a common enough thing to see in announcements of sales by auction of water stock, "This stock is entitled to receive back dividends"?—I do not recollect.

1024. Do you not remember ever seeing that?—No, never.

1025. I thought your experience of those things was more than one's own, but I suggest to you it is common enough?—I do not recollect a single instance.

1026. I think if you look you will find it is mentioned. At the present moment, is not my Kent stock worth more, apart from your Bill, by reason of the fact that I am getting the back dividend paid?—I have not the slightest doubt.

1027. If you pass this Bill, will not this stock to-morrow be worth less?—Yes, but on the same ground and on the same argument that Parliament in 1852 and 1853 entirely altered charges, say from 7 per cent. to 5 per cent. and to 4 per cent., because they considered a new set of conditions had arisen; so in the same way do I say that the time has now arrived for re-casting the consideration of this question of back dividends.

1028. You have said that before, but when Parliament did that it left me with my property?—No, it did not; it took away 3 per cent.

1029. You propose to take from me my property?—Take your own case.

1030. And when you take from me my property, you are going to tell the arbitrator that one element of value shall not be taken into account by him?—No. I tell him that one element of that should not, because I say to Parliament in the same way as it revises the charges, so I say that on this point of back dividend, now is the opportunity of revising the legislation with regard to it.

1031. But

Mr. *Littler*—continued.

1031. But for your special instruction, do you think that the arbitrator would probably give something for back dividend?—It is clear that but for the instruction the arbitrator could, if he thought fit, do so.

1032. But he is not bound to give it if you give no instruction?—No, not bound. I mean to say there is nothing binding on the arbitrator as to how he shall arrive at his value.

1033. But you say he shall not give it?—Here, yes.

1034. All that we say is, that if we are to be bought, which we object to, let us both present our arguments before the arbitrator, and let him say on the one hand if we make the claim, whether it is an unreasonable claim. Why in the world is not the arbitrator to have an open mind?—I can only discuss this point on general principles, and what I say is that in 1808 the Kent Company had no power to make any charge at all. It was a voluntary supply, and the charges were such as made by agreement. In 1864, for the first time, that power was converted into a power to charge at 7 per cent. on the annual rateable value.

1035. Now, if no purchase is made, the result of it is that the companies would continue as they are, but it is obvious that they must sooner or later be regulated, and there would be some application either on their part, or by a public authority coming to Parliament, for a regulation, and for a revision of those matters. That being so, there would be on that occasion a re-opening not only of the charge of 7 per cent., but there would be the question as to whether the incorporation of that section of the Act of 1847 should be continued to throw back the dividend *ad infinitum*, having regard to all the circumstances of the case, and the findings of Sir William Harcourt's Committee on this subject of back dividends.

1036. And you think that is an absolutely valid and conclusive argument?—I think that is a good argument.

1037. Then why not say as to the arbitrator?—Because an arbitrator would not have power, without he is enabled to do so by the provisions of this Bill, to enter into any such question. It is quite clear that when you give him that power an ordinary arbitration of purchase would be a purchase under the existing statute. I say that under an ordinary arbitration (and no one knows it better than yourself) an arbitrator would not be able to treat any single Act as being anything else than the Acts binding him in assessing or valuing out the water rental.

1038. As you have appealed to me, I will put it to you: Is it not the fact that the arbitrator's business without any instructions whatever is to hear everything that can be said in favour of enhanced value and everything that can be said in depreciation of the value?—Depreciation arising from the facts, but not depreciation arising from any alteration of any one of the existing public or private statutes.

1039. But what he has to do is to ascertain as best he can what is the value, not to the purchaser, but to the seller, and I possess to-day a right which you admit yourself is valuable. You want to buy, but if you did not want to buy, you would never ask for this power, would you?—No, of course you must take it that we ask to purchase; we are promoting the Bill.

1040. But if you did not want to buy, you would never ask for this power, would you?—No.

1041. Then why if you are going to buy from me should you deprive me of an existing right, before you begin to buy from me?—Because I say the whole question is before Parliament, and that is now the proper time for giving a direction on that very matter, it is put in issue, and it is tendered as if a separate Bill were introduced to deal with this question of back dividend. That is really the footing it stands on, and whatever arguments may be introduced in favour of that substantive Bill on that point are equally applicable to this particular proviso.

1042. You appeal to my experience; I will appeal to yours; did you ever in your life know of Parliament depreciating the value of a man's property, when they were compelling him to sell it?—I do not consider this is, you know.

1043. I do not want what you consider?—I do not accept your proposition.

1044. Can you give me any Act of Parliament which has ever been passed in which Parliament has depreciated a man's property, and by the same Act ordered him to sell it?—That is a broad proposition, and I cannot accept it.

1045. No. I want to go to particulars?—I have never examined, I am not a Parliamentary agent, and I do not know of any precedents affecting what I call such an absurd proposition, because if that proposition were accurate it would mean that Parliament at no time can make any alteration in the law.

1046. I know pretty well how much you do know, having had the pleasure of knowing you for thirty years. You have had great experience in the transaction of compensation cases; you have had great experience in conducting Bills in Parliament; and you have had great experience in other ways in the profession; and I ask you, can you give me one single instance in the whole 30 years that you and I have been together in the profession in which such a thing has ever been done by anybody?—You attribute to me a great deal more knowledge than I possess.

1047. I want to ascertain either your knowledge or your want of knowledge, because I assure you, if you do not know, I do not believe anybody else does?—I am not a Parliamentary agent.

1048. But you have frequently discussed this with your agent, have you not?—Yes.

1049. And you have looked for precedents, have you not?—Precedents for what?

1050. Precedents for what you are doing now? Exactly, and we have the precedent.

1051. You have looked up precedents?—Yes.

1052. Assisted by that very able agent you possess?—Yes, and we consider we have a precedent in the gas case.

1053. If you come to the gas case, I will deal with that. That is the only one you can find?—We think not only that a precedent, but we consider that all the alterations that have been made by Parliament in these water companies' powers,

Mr. *Littler*—continued.

powers, rights, obligations, and charges are all of them illustrative that Parliament has got the power, and does, in fact, deal with and alter rights. It has altered the intake from London Bridge up higher, and so forth; it has altered their charges, and there is not a single one of the obligations or duties or powers that has not been constantly revised in the history of these water companies by Parliament.

1054. I think my learned friend, Mr. Bidder, probably disposed of the gas question yesterday, but I must ask you one or two questions about it. First of all, in the gas case, the company was going to continue to exist, was it not?—What I wish you to——

1055. Please answer the question?—I am going to answer it if you will allow me.

1056. The company was going to continue to exist, was it not?—I say this, that I have not studied the details of that proposition. I only act upon the advice of the Parliamentary agent, and I leave it to others to state what are the circumstances.

1057. But you have quoted it to me, and I would rather have your experience than that of 50 agents?—I have only quoted it to you as the advice given to us.

1058. First of all, as a matter of fact, which you do know, that company continued to exist, did it not; the Gas Light and Coke Company exists to-day, you know?—Yes.

1059. And so did the others?—Well?

1060. In addition to that they wanted new powers?—I do not know; I tell you I do not know the details.

1061. If you do not know anything about it, it is no use my asking. Then the only precedent you can quote is one you do not know anything about?—I do not quote it as a precedent; I simply say that is the advice given us by our Parliamentary agent, and I think the precedent exists in my opinion with regard to the changes in other respects which have been made by Parliament.

1062. I am going to put one or two things to you which I shall refer to when I speak. In point of fact, what you propose to do is to repeal by Act of Parliament an existing statutory right at your instance, you being a buyer for your own advantage?—That may be your allegation.

1063. That is true, is it not?—I do not think it is.

1064. Do you not?—No, we are putting forward this provision because we think it is the proper time for such a matter to be dealt with by Parliament.

1065. Do you agree to this, that it will create a precedent which, if once permitted, would tend to destroy public confidence in the equity of arbitration, the stability of statutory contracts, and the good faith of Parliamentary Committees? No, I do not.

1066. You know, do you not, that the debenture stock of the water companies is a stock in which trustees are authorised by Parliament to invest?—Yes.

1067. Now, I am going to ask you this: Whoever may be responsible for the drafting of the Bills, and whatever general qualifications they may have, it is perfectly certain that anyone who examines them, and who possesses any financial knowledge must arrive at the conclusion that they have been prepared by people whose knowledge of business, of property, and of finance, has yet to be acquired; do you agree with that?—No.

1068. I am not going to use this as my own language?—I know what you are referring to. I know Mr. Burdett; I have corresponded a good deal with him, and I know that Mr. Burdett's article is written on the side of the water companies, and I do not agree with his conclusions.

1069. Now I want to ask you this. Do you know what my stock is worth in the market to-day?—No, I do not, indeed.

1070. I put it to you as being worth about 310*l.*?—I have no knowledge at all.

1071. Now I want to ask you another thing, because I gathered from a part of your evidence which I read, but did not hear, that your view is that the present market value of these stocks is much too high?—I have not discussed that question at all.

1072. I thought from something you said that that was your view; is it, or is it not?—I do not know; I have not any information on the subject.

1073. Is it not the fact that every one of these qualifications and limitations you are going to put on the arbitrator would tend to depreciate the value of the stock?—I cannot tell, but I should think it is possible if——

1074. I should think so too, very possible?—One moment, if you will allow me to finish. If these directions or enabling powers to the arbitrator or to the tribunal were given to take them into consideration, they would be fair and equitable, and in consequence might affect the market prices.

1075. Is it not the whole object of every one of these clauses to prevent the arbitrator taking into consideration the circumstances which, but for them, he would be entitled, though not bound, to take into consideration?—No, it is quite the reverse, it is to give the arbitrator an enabling power with the exception of the proviso; I am not speaking of provisos.

1076. No, it is not that he "may." If you look at your Clause 6, line 34, it is, "In determining the fair and reasonable value of the undertaking the arbitrators shall amongst other matters have regard"?—Yes, he is only to have regard. It is only "shall have regard," "is to have regard" will be the same thing. It is not "shall" act on those rules. He is only to have regard to them, that is to say, that they are to be matters which are capable of being given in evidence which he can legally admit and legally decide upon.

1077. Then did you ever in your life know of an arbitration where special directions were given to the arbitrator where he did not feel himself bound to pay attention to them?—Oh dear, yes.

1078. Indeed?—Yes, I have.

1079. Will you give me an instance in which you have found that?—I can give you an instance in a case which I prepared myself, a very old Bill in which you were, the Chatham and Dover reference. There, there was a great complication. The law being only the law of mortgagees

Mr. *Littler*—continued.

mortgagees and not applicable to railways, we established an arbitration tribunal and we gave the most ample powers, if I may say.

1080. Now, Mr. Harrison?—One moment. We loaded them with powers and loaded them with directions that they might take into consideration this fact, that fact, or the other fact. The arbitrators were Lord Salisbury and Mr. Swarbrick.

1081. That was a case of the Chatham and Dover Company, where the things had got into such a tangle that, as you told the Committee, there were dozens of law suits, 32 different interchangeable powers, a number of which were alleged to have been fraudulently obtained, and the thing was in such a mess that it would never have got out of the Law Courts even by now, was not that so?—That was the state of things. You were asking about a precedent for the form of reference.

1082. I am going to test your precedent. Was it not the fact that there Lord Cairns was given extraordinary powers to do what he pleased?—The arbitrators were given extraordinary powers.

1083. To do what they pleased?—To do what they pleased.

1084. And what I complain of here is that you do not let him do as he pleases, but you define what he shall not do?—No.

1085. I will not argue it with you because the Committee will judge for themselves?—Then in insurance cases, the European and other cases of arbitration, there were equally directions to allow the arbitrator to take into consideration all the circumstances, but those are not directions to him any more than these are directions. I refer to the cases of the Family Endowment and European Companies.

1086. Is anyone of these provisions which you put in the interests of the water companies?—Of course I cannot say they are.

1087. There is not one that is put in in the interests of the water companies?—No; the water companies will bring forward their case.

1088. I daresay. Is there not one of them that was not put in with the very object of improving the position of the County Council?—Of making the purchase on fair and equitable terms.

1089. That will not do, you know. Is there one of them that was not put in in the interests of the County Council in order to take care that the price was depreciated?—No. it was not put in for the purposes of depreciation.

1090. Then what were they put in for?—They were not put in for the purpose of depreciating the price, because that would be a direction.

1091. And this is?—No, this is not; this is nothing more than enabling the arbitrator and tribunal to go into those classes of questions which are mentioned in the condition, quite a different thing. The arbitrator may reject them or not, it will depend upon proof. They may, none of them, or they may all of them fail. The insertion of those words does not necessarily lead to the conclusion that it is put in for the purposes of depreciation, it is merely to give him jurisdiction.

1092. There is not one of them that my company, the Kent Company, for which I am now speaking——?—That Bill is not before the Committee, and therefore I am not able to discuss it.

1093. There is not one of these we want to have in?—I say I am not now discussing it. The Bill has not been opened with regard to the Kent Company; the circumstances of that would have to be investigated, and are totally different to other companies.

1094. I cannot help its not being opened; the Kent Company is here to oppose?—We are on the Lambeth and Southwark and Vauxhall Bills.

1095. There is not one of those provisions we want. Are you willing to strike them out?—No. When we come to the Kent Company's case I will discuss that point.

1096. I ask you now, are you willing to strike those out?—That company is not here, and I am not able to discuss it. When we come to the Kent Bill, I will discuss those points.

1097. The same provisions are in the Kent Bill. Of course I am only asking the question for the Kent Company, because I have no right to bind other companies; but I ask you, are you willing to strike out any one of those?—No.

1098. Is not the reason that you will not strike them out, because if you did strike them out you would run the risk of having to pay more?—No.

1099. Is it not? Then why do you want them in?—Because I think they ought to be in for the reasons that I have mentioned.

1100. I think after that I will not say any more?—It is useless to repeat them.

1101. I had some matters of detail to deal with, but I will leave them after that.

Chairman.

1101A. Who was the other arbitrator besides Lord Salisbury you mentioned?—Mr. Swarbrick, the then manager of the Great Eastern Company.

1102. How did Lord Cairns come into the matter? You said, I think, that he had an absolute authority?—I drafted the Bill myself, and I know exactly the provisions by heart.

1103. But I think you assented to the proposition stated by Mr. Littler that Lord Cairns was left absolute discretion to do as he pleased. I want to know how that was?—In this way: I forget whether Lord Cairns was in the Chatham and Dover or the European arbitration. The European was an arbitration of a life insurance company that failed. There was a complication with a great number of intermediate companies, the Family Endowment Company and so forth. On that occasion Lord Westbury was the first arbitrator; that following the Chatham and Dover Arbitration, and I think Lord Cairns followed Lord Westbury at his death. Lord Cairns then became a member of the Government, I think, and Lord Romilly, the late Master of the Rolls, followed. In the Chatham and Dover case the Reference was framed on the lines of leaving out of consideration all the powers of the Courts, and also delegating to that reference all such powers as Parliament would have to alter any rights.

Chairman—continued.

1104. It was as wide a reference as possible?—Yes, enormously wide.

1105. I presume that you contemplate, if such a Bill as this were to pass into law, that the arbitrators who would be chosen for the purpose would be persons of no less stamp of ability and learning and capacity for inquiring into such great affairs?—Yes, not less than any gentleman occupying the same position, if we could secure him. May I say that in the Chatham and Dover case, and in European arbitrations which involved about 23 life insurance companies, there was a provision that the arbitrators might act upon any evidence that they thought fit, and that they were not to be bound by any procedure of the Courts at all. It was simply an absolute reference. In this Bill there is no proposal to alter the ordinary law of evidence, except so far as this clause may enable an arbitrator to take these things into consideration.

1106. What suggested the question to me was this: I suppose one would say naturally that the wider the reference the greater would be the desirability of having men of the highest ability to deal with it?—Certainly.

1107. And conversely, the greater the eminence and qualifications of those persons, the more fairly might a wide discretion be left to them?—Quite so. This Bill contemplates the appointment by the water companies, say of Sir Frederick Bramwell, or any other eminent engineer, the nomination by the Council of another eminent engineer or expert, and then they would have to agree upon an umpire who might be an umpire of a standard and class occupying the same position as those whom we have already mentioned.

1108. I think you have described this as the biggest undertaking of the class that has ever been promoted?—It is very large.

1109. And naturally you would get men of as great eminence as you possibly could?—Yes. The Chatham and Dover, capital and everything, I think, represented a number of millions, and in the case of the insurance companies the nominal capital in the aggregate was something like 30,000,000*l.*

Cross-examined by Mr. *J. D. FitzGerald.*

1110. I desire only to ask you a few questions for the Wandsworth Board of Works. The first question I want to ask you is this: Has the desirability of constituting a special water authority for London been ever considered by the County Council?—Yes. I think in 1891 the Water Committee discussed that question, and reported to the Council upon it.

1111. Did the Committee report to the Council upon it?—I think so.

1112. If so, can you give me a reference to their report?—I have no doubt counsel will furnish you with that. I think in 1891 that question was discussed.

1113. What was the objection there raised to a specially constituted body?—Any specially-constituted body would be non-representative, and that of itself formed a very fundamental objection.

1114. Why do you say that a specially constituted body would be non-representative?—It would not be elected by the ratepayers.

Mr. *J. D. FitzGerald*—continued.

1115. That must depend entirely upon how it is constituted, must it not? For instance, the Bill that was submitted to Sir Matthew White Ridley's committee did propose to constitute a body by direct election, did it not?—Yes, and that was rejected.

1116. I quite agree. There is another method of constituting a body, namely, by representatives from all the local authorities within the area, is there not? That would be a representative body also, would it not?—It would be impossible either to have a representation of the metropolis or the County of London, which is represented by the Council, were you to have that council superimposed upon it local authorities from outside the county. Their interests are not identical. Either you give the representation in sufficient numbers to make their voice effective, or else it is valueless.

1117. But I take it that the interests of every local body within the area of water supply has an interest in seeing that water is supplied efficiently within its district?—On that there is common interest, subject to the question of London's prior right.

1118. Do you know that special water authorities have been constituted from time to time in different parts of the country?—I believe they have.

1119. And quite recently, taking only last year?—I quite understand that, but that does not deal with London.

1120. A special water authority was constituted for Accrington?—I daresay, which is not quite as big as one of our parishes.

1121. Then take Belfast, do you know that in Belfast—?—That is very little bigger than Islington, certainly not as big as Islington and St. Pancras put together.

1122. Do you know that there is a body known as the Belfast Water Commissioners that has the entire control of the water powers without any interference from the municipal authorities?—That may be so; I do not know.

1123. Then your objection, if I understand it rightly, is that you think that a specially constituted body would not be representative of the whole district?—It would not work. The interests are not identical. They are identical on some points, but not on others; not in the present state of existing legislation. You have here the metropolis subject to the 1852 Act, and subject to the 1871 Act. You have the outside area subject to the Public Health Act of 1875.

1124. All those areas surely are interested in the question of water supply?—Of course, everybody is interested in the question of water supply.

1125. And their interests may be conflicting to some extent?—On all the fundamental matters they are conflicting, and more than that in each particular Bill, or each particular company, all the interests are separate and different.

1126. I do not propose to take you over the same ground that Mr. Pember has gone with regard to the present occupations of the County Council. Can you give the Committee any notion what the number of the present employés of

Mr. *J. D. FitzGerald*—continued.

of the County Council is?—Yes; do you mean the staff as well?

1127. I mean officers, servants, clerks, workmen, and people; persons in receipt of the pay of the County Council?—I should say about 6,000; I do not know whether I am right or not. I have not my pocket-book here. The deputy-chairman will tell you; he will be called as a witness.

1128. That number will be very largely increased when you take over the working of the tramways, will it not?—Nominally, of course.

Sir *Stafford Northcote.*

1129. Does the 6,000 include all the workmen?—Yes, so I understood the question. The Works Department employ about 1,600; the Main Drainage employ about 1,500 I think it is. Then there are the ferries, and you see we have six sludge ships going out to sea with 6,000 tons a week; that employs a large staff. I think altogether in round figures you may take it as 6,000. I can give it actually on referring.

Mr. *J. D. FitzGerald.*

1130. I suppose when you take over all the tramways that would add about a couple of thousand more, would it not?—It might.

1131. Then, with 8,000 employés, will not the time of the County Council be pretty well taken up without having a large additional number added from the water undertaking?—Certainly not, the present Water Committee having then finished their inquiries could very well devote their energies to those management; easily with all the existing staff.

1132. You have made, as I understand, an arrangement with the Corporation of London, by which they are to have a representation on your Water Committee?—Yes.

1133. Surely that admits the principle that the County Council will not manage the water undertaking?—Oh, no. That is a certain number which is to be on our Statutory Committee, but it is to be a Statutory Committee of the Council.

1134. It does not make much difference whether it is called a Statutory Committee or a separate authority; in fact, the Corporation of London are to have a voice in the management of the water undertaking for the whole of London?—Yes, they have four members on the Council now, and under the unification scheme it is proposed to increase them to eight.

1135. They have four members on the Council now as representing the City, and you are going to give them an additional representation on the Water Committee entirely independent of the representation on the Council?—Yes.

1136. Take the case of the district I represent, Wandsworth, with a population of 180,000, and rateable value of over 1,000,000*l.*, what objection would there be to give to districts in that position a representation also?—Simply because, under the arrangement with the County Council of Surrey, we shall have nothing to do with the water outside our area.

1137. You are under a mistake, are you not? Wandsworth is within the County of London, is it not?—I thought you were speaking of the Wandsworth District Board.

Mr. *J. D. FitzGerald*—continued.

1138. Yes?—Which is outside the county as to part of it.

1139. I think not. I think the whole of Wandsworth is within the Administrative County of London?—Yes, if you appear for the Wandsworth District Board, that is so.

1140. They now send a representative to the County Council?—Yes; then they would be represented through the County Council.

1141. In precisely the same way as the City of London?—Yes.

1142. Except that the City of London have a double representation?—Yes.

1143. What objection can there possibly be in principle to give all these bodies a direct representation on the water authority in the same way as you propose to give it to the Corporation?—Because they are already represented on the Council by their representatives.

1144. So is the Corporation of London?—Then they will be there.

1145. But surely the same arguments exactly apply as to the Wandsworth District Board of Works?—No, I do not think so, and the City of London represents a rateable value of upwards of four millions and a-half, which is one-eighth of the rateable value of the entire metropolis, and although there are only 32,000 population, according to the census, still, of course, it has a very large interest. It is important, I think, therefore, that the City should have a full voice upon questions with regard, for instance, of charges. If they were charged on their full rateable value, being banks, insurance offices, and so forth, it would be an enormous injustice. The consumption of water in those offices is comparatively small, not perhaps much larger than in a small house, therefore it is important that their representation should be such as to keep an effective control over any misuse of the powers with regard to water rates. That is not applicable to Wandsworth.

1146. If I rightly understand you, your first reason is that the rateable value of the City is greater than the rateable value of Wandsworth?—It is one-eighth of the whole metropolis.

1147. Taking that first, that goes to the amount of representation, surely, but not to the principle?—Yes, because you will have already spoken by your representative in the Council, through the Council, on this water question.

1148. So will the City?—But there are exceptional classes of property in the City of rateable value, and taking the area it makes it necessary in our opinion, iand advisable, and having regard to the posit on of the City, that they should be there.

1149. You say there are exceptional classes of property in the City, which need exceptional representation?—I think so.

1150. To follow that out, that means there are complicated interests, interests between the City and other parts of the metropolis with regard to the water rate?—No; but that the powers might be exercised to their prejudice, and there might be conflicting interests unless you guard against it; not that there are.

1151. But surely the powers might be exercised in a way to favour one district more than another?—No.

Mr. *J. D. FitzGerald*—continued.

1152. Why not?—You might give a better supply in one district than another. You might give constant supply in one district, and intermittent supply in another?—No, we could not, because, under the Act, that provides for constant supply; the water authority is bound to put it on on demand of the local authority.

1153. There are a good many places where there is no constant supply yet?—Because the authorities have not called upon them or complied with certain requisitions.

1154. Then there are many other matters in which one district might be favoured more than another?—It would not be favoured.

1155. But if special interests are to be represented in the City of London, why not special interests outside the City of London?—I have already answered that, that I think in your case of Wandsworth, you are sufficiently represented.

1156. It is not only the case of Wandsworth, but it is the case of the whole districts?—Do you appear for anybody else?

1157. I am setting up a particular case. I appear for Wandsworth, but what is true of Wandsworth is true of the whole districts outside the City. They have no special representation, and the only ground, as I understand, that you can give why the City should have a special representation is, that there are special interests there with regard to insurance offices, banks, and properties of that character?—You must not say that is the only reason, I think that is a very strong reason, and one of the reasons.

1158. If you have any other reasons I should like to hear them?—I think that having regard to the importance of the City——

1159. You have mentioned that already; that is rateable value. Is there anything else?—And the position generally of the City.

Cross-examined by Mr. *Richards*.

1160. I appear for the County Council of Essex, Sir. Your counsel, in opening his case, said you were prepared to negotiate with Essex on the same terms as you have with Surrey; is that so?—Yes.

1161. Then what did you mean by saying in your evidence yesterday: "The mode in which the outlying authorities may be treated in one case, and in another may be on a totally different basis"?—What I meant by that was although we are prepared to negotiate on those lines, it may not be in accordance with the views of an outlying authority; take, for instance, Essex; we have already had deputations from West Ham, and we have discussed the problem, and negotiations are going on at the present time; they may desire not to be treated on the lines of the Surrey County Council, they may desire to have a water trust, and, if so, it is immaterial to the Council. There are special powers with regard to that portion crossed green on the cartoon. They draw from the Thames 10,000,000 gallons of water, and it might be that the distributing works with a certain quantity taken from the Lea, and those 10,000,000 gallons unapplied water power now, might be adapted to that green

Mr. *Richards*—continued.

portion of the East London Company; then the rest might be apportioned between West Ham Corporation and the Essex County Council, either upon a water trust or upon any other lines they thought fit. I mean to say the circumstances vary so immensely.

1162. That small portion of the East London Company is the only portion within the County of London, is it not?—Yes.

1163. Do you know, as a matter of fact, that during the last ten years the supplies within the County of London have decreased steadily?—I do not know. Without wasting the time of the Committee, if you will put those questions to the engineer, he knows the whole of the facts.

1164. Will you take it from me that they have decreased?—No, I cannot.

1165. And that within the county of Essex they have more than doubled within the last ten years?—I cannot say, because the population of West Ham has been extending immensely; that suburb round London has been extending immensely, and therefore an increase has necessarily taken place.

1166. On what ground do you justify the suggestion that the County Council of London should purchase the water supply which is within the county of Essex. There are 10,000,000 gallons, of course, taken from Sunbury. That, of course, we have no claim to at all, but the whole of the rest of the supply is now within the county of Essex. Simply because we do not believe there will be any chance of asking Parliament to sanction a Bill for the purchase of a portion of the undertaking. If we purchase at all we must purchase the whole undertaking.

1167. Is there any necessity, so far as London is concerned, to buy anything within the county of Essex?—Yes; we must buy the undertaking. It is the undertaking we have to deal with, not the locality.

1168. Can you inform the Committee why the East London Bill is to come into operation three months before the Bill which is being discussed before this Committee? Can you tell the Committee why the East London Bill was not taken first?—I cannot tell you, except that these Bills dealt with practically the whole of the southern area. The other Bills dealt with the question of the New River, and the sources of supply from the Lea, whereas these deal with a source of supply from the Thames.

1169. If you are to purchase the whole of the undertaking, upon what basis do you propose to sell to Essex that portion of it which lies within its own county?

Mr. *Freeman.*] I think the time has come, and I must ask for the direction of the Committee upon this point. What is now before the Committee is two Bills, the Lambeth and the Southwark and Vauxhall Bills, and I should refer the Committee to what took place in the House on the motion upon this matter. I think it is desirable to read the actual words, because what my learned friend is doing now is asking Mr. Harrison upon the Southwark and Vauxhall and Lambeth Bills, a number of questions in respect of Essex, in respect, I presume, to an East

East London Bill, which is not at the present moment before this Committee, which we have not opened, which we have given no evidence in respect of, and in respect of which the Committee, of course, have no facts before them. Now, may I draw your attention to what the motion was upon which my learned friends are entitled to appear at all, and it was agreed to in the House: "That any district council, or other local authority, of any district wholly or in part within the Metropolitan water area, the London water companies jointly with any other persons claiming to be affected by the Bill, presenting a Petition against the Bill not later than the 21st March, praying to be heard by counsel, agents, and witnesses, may be heard on such petition before the Select Committee on the Bill if and so far as the Committee shall think fit." Now, I submit, for the consideration of the Committee, that while I should not for a moment suggest that my learned friend was not entitled to ask any question affecting his clients arising on the two Bills now before the Committee, he is not entitled to cross-examine upon the whole case as if what was before the Committee was the East London Bill, or any Bill affecting Essex directly, and that the proper time for cross-examination on those Bills is when the particular Bills come before the Committee. If that is not to be restricted in some way, the amount of time which will be spent over these Bills will be absolutely incalculable.

Mr. *Richards.*] My answer to that is very simple. This is upon a question of principle. I am appearing on behalf of the Essex County Council, and my learned friend, Lord Robert Cecil, who appears for two other County Councils — Hertfordshire and Middlesex — of course also desires to be heard upon this point. What would be the object of the direction of the House to this Committee if counsel is to be present at this inquiry, and not to be allowed to ask any question until the Bill, which would, of course, be the East London in my case, came before the Committee? I take it, with the greatest submission, that this Committee is discussing these two Bills which the London County Council have put before them, not merely on the matter of the Southwark and Vauxhall Company policy, but on the whole question of principle of the purchase of the water companies. My learned leaders, Mr. Pember and Mr. Littler, and those who have cross-examined Mr. Harrison on Clause 6 of the Bill, of course were not affected by the Bill, except as regards two of them. The only county council which was affected, Surrey, has come to an understanding with the London County Council, and I want to know, on behalf of the County Council of Essex, what terms, what suggestions, the Vice-Chairman, who is in the witness box, is prepared to give us, and upon the question of principle I am here, if Essex is the proper water authority for its county, to ask the Committee to allow me to ask Mr. Harrison the question why the London County Council is to be entrusted with the purchase first of all with an undertaking which supplies only a small portion of London, and the greater portion of the supply of the county of Essex.

Mr. *Freeman.*] It does not arise under this Bill.

Lord *Robert Cecil.*] Before you decide that point, sir, I should like to say a word on behalf of Middlesex.

Mr. *Pember.*] I should like to say a word on behalf of Kent, too.

Mr. *Freeman.*] What I am saying is this, that under the direction of the House everybody has a perfect right to ask any questions for their clients so far as they are affected by these Bills on any matters arising out of these Bills, but I do object to my learned friend Mr. Richards cross-examining on the Lambeth and Southwark and Vauxhall Bills on questions affecting what was going to be done under the Bill as affecting Essex. In the same way, if questions were asked for Hertford on the New River Bill, I should suggest it was not within the direction of the House that a particular Bill not before the Committee should be cross-examined too.

Mr. *Pember.*] I do not think there will be any great danger of asking questions which do not involve the general principle underlying all these Bills—that is what it seems to me is the spirit of the instruction given by your House. The exact form of it is, perhaps, not a matter of interest at this moment, but I certainly should not think of asking questions on behalf of the Kent authorities, for whom I appear, upon any point which is merely a matter of detail in the Southwark and Vauxhall Bill or the Lambeth Bill, and which was not common to all the Bills; but there is this great danger, that if anything is settled in the first Bill which you hear, or the second which involves matters of principle, or which guides your decision on the other six, that it would be too late then for any authority which had not raised the point, to raise it with advantage. That is all we ask to do, and I think I speak in common probably for all my learned friends. It will be for the Committee to judge from time to time when the questions are asked, whether or not they are questions on such general principles as come within the meaning of the *locus standi* accorded by the instruction of the House.

Chairman.] I think the way you have stated the proposition is a very fair one, and I will ask the counsel to observe that in any questions they may have to ask.

Mr. *Richards.*

1170. (To the *Witness.*) What I want to ask you is this. Do you offer the same terms to Essex, or are you prepared to offer the same terms as you have given to Surrey?—Yes.

Mr. *Freeman.*] There at once is an objection.

Mr. *Richards.*] With the greatest deference there, I hope I am obeying not only the letter, but the spirit of your ruling, sir.

Chairman.] I do not quite see how that comes into the discussion of this Bill.

Mr. *Richards.*] Very well, sir; if that is your view, I will leave it.

Chairman.] Will you explain how it does?

Mr. *Richards.*] I will not pursue that line at all, sir.

Chairman.] I do not wish to cut your examination short in any way, but it seems to me that rather falls within the canon laid down by Mr. Pember, and is rather in reference to your particular Bill than the underlying principles.

Mr. *Richards.*] With the greatest deference, there would have been no necessity to instruct Counsel to appear here on behalf of Essex, if we are not to be allowed to know upon what principle this, which I venture to call, invasion of our rights, is to take place.

Mr. *Pember.*] I think, sir, if I may interpose this question, the Surrey agreement was, as I understand my learned friend, Mr. Balfour Browne's opening, rather a type of the way in which they would treat the outside authorities, and if so—perhaps I am a little exceeding what I ought to suggest—I think we ought to be allowed, if we think it necessary, to ask whether, as this is a type, Mr. Harrison would bear out this learned Counsel's suggestion in opening, that it was the type, and the way of finding that out seems to me to ask: Will you apply it in principle to all the other cases.

Chairman.] I think that is a fair question, but I would not go into the question of any particular dealing.

Mr. *Freeman.*] As regards the particular point which my learned friend, Mr. Pember, has raised——

Chairman.] I think the particular question which I understand you to ask Mr. Richards, namely, whether the County Council would be prepared, if they became the water authority, to deal with you on a basis corresponding with that on which they dealt with the county of Surrey, is a fair question.

Mr. *Richards.*

1171. (To the *Witness.*) What do you say to that question?—Yes, we have, in fact, offered it, and they are considering it now.

1172. You recognise, of course, that Essex has different and perhaps stronger claims than Surrey?—I can quite understand that Essex would make, having regard to their circumstances, a counter offer or some other proposal which, as soon as we get it, we should be perfectly prepared to consider. As far as we are concerned, we are quite ready to offer the basis of the Surrey agreement, broadly. But I know sufficient to say that the circumstances of each are so different with regard to the water supply and physical facts, as to which evidence will be laid before the Committee, that I doubt if there can be any two cases absolutely treated alike.

Chairman.

1173. I said general scheme?—Yes, as far as we are concerned; the general scheme is offered to all.

Mr. *Richards.*

1174. On the question of population, you propose to offer to Surrey 20 per cent. in addition to its present supply; is not that so?—We give it to them.

1175. Would you be prepared to make a greater extension to the county of Essex?—That is a detail.

Chairman.] I am afraid you cannot go into differences of that kind at present.

Mr. *Richards.*

1176. Very well, sir. (To the *Witness.*) On the question of purchases, in what way should we be entitled to take part in the negotiations as to purchase?—In the same way as Surrey.

1177. That is, we should be allowed to appear on the arbitration, but not to ask any questions?—No, I do not think that either the County Council of Surrey or ourselves ask, or could reasonably ask, Parliament to give you, as against the water company, an active right to appear and intervene.

1178. Although we might have to take over the bulk of the undertaking, as the Committee can see?—I do not know that; that is another detail. You must not assume the bulk of the undertaking if you mean by bulk area, that is only the water area, and not population. It is only mere acreage, half of which may be blank.

1179. There is only one other question I have to ask you. In dealing with the transfer from the London County Council to the Essex County Council, would you take all the companies together, or simply the purchase of the one undertaking?—I do not understand your question.

1180. At present, you know, the price of the water supply to the East London area is 4*d.* some decimal per thousand gallons, and in other parts of London it is 7*d.* Would you put all the undertakings together and then divide them, or would you only charge us on the basis of the undertaking of the East London, which you look over?—That is a detail.

1181. I think that is a fair general question?—What we should do would be this: we should deal with the East London undertaking.

1182. Only?—Only.

Mr. *Richards.*

1183. We should have no costs and charges with regard to the other undertakings which you might acquire under these Bills?—Certainly not; each agreement is separate, and each arbitration is separate and, as under the Surrey, the cost of equipping and adapting inside and outside the county to two separate undertakings must necessarily in every case vary, because the works in some cases are different; some pump into London and back again, and others, by a connecting pipe, can be adapted very easily indeed.

1184. Are we in any way to be identified with the London County Council in the search for new sources of supply? You have put it to the Committee that the County Council would have to seek new sources of supply?—No, you have nothing to do with that: future supply is entirely left out of the agreement with Surrey.

1185. Would you be prepared, deducting the 10,000,000 from Sunbury, to leave to us all the sources of supply which we have in our own county?—That is a detail.

1186. That is a question of principle, I submit with great confidence.

Chairman.] It rather lies on your Bill than on the present one, does it not.

Mr. *Richards.*] If we knew what the County Council were prepared to do, it might avoid the expense of a second appearance.

Witness.] You had much better meet us outside the Committee, as we are negotiating.

Mr. *Richards.*

1187. That is the one point we want to get at?—We shall be very pleased to discuss that.

Chairman.] Mr. Harrison says he cannot tell you.

Witness.] I cannot tell you; it depends on what the water supply is from the Lea. I do not know any of those facts.

Cross-examined by Mr. *Batten.*

1188. I appear for the Urban District Council of Waltham Holy Cross. If I understand your Bill rightly, you propose to transfer by Clause 23 to the local authority all the works that are within their own area, and let them supply water themselves; is not that so? I am asking more for information, perhaps, than for the purposes of cross-examination, but still that is so, is it not?—That is as to the distribution works. It is only a power to negotiate with regard to the distribution works, and an optional power to transfer or sell any portion of the undertaking which would include water supply.

Chairman.

1189. What is the Clause?—It is Clause 23.

Mr. *Batten.*

1190. There is a similar clause in all the other Bills, is there not?—Yes.

1191. The general principle of the Bill is, that the urban authorities outside London are to be entitled to purchase the mains and distributive works within their own area at a price to be agreed by arbitration, and then, that they may supply their own water, or you will supply them in bulk if necessary?—There is a power to us to sell or transfer optionally such portion of the undertaking, which, in the opinion of the Council, is not at the time of the sale or transfer, required for the present or future supply of London, or any joint interest in any part of such undertaking.

1192. But the general idea is, that all the urban authorities round London are to have the right to become their own water authority, and to purchase from the County Council the portion of the distributive mains, &c., that are within their area; is not that it?—Yes, they may purchase under Clauses 23 and 24 certain classes of works, the distributing works, and they may require the Council to supply in bulk so much not being less than 25 gallons, and so on.

1193. Some of these areas outside London are waterless, are they not? Others have a very abundant supply within their own area. If I may be allowed to take the district I represent, Waltham Holy Cross, the water rises up in an immense volume in the very centre of our district. Are we to be compelled to take our water from the County Council, or are we to be allowed, having purchased the mains to use the water which we have, and distribute it among our own people for a mere fraction of 1*d.* per thousand, which do you say it is to be? Do not deal with Waltham Cross only, but deal with all the area round London, where the authority can find, and has found pure water, within their own districts. May they supply their own area?—This Bill will not affect any legal rights that any local authority has to acquire or supply itself with water under existing statutes. The transfer only relates to the water which is purchased of the particular company, and if that rises in Waltham Holy Cross, and is part of the purchase, of course they will get that back under the supply.

Mr. *Batten*—continued.

1194. As you know the local authority now has no right to supply water within its area, because it is supplied by a statutory company; you proposed having purchased the statutory company, to allow, according to this Bill, a district to supply itself with water, merely purchasing from you the pipes?—No, I do not. I do not propose to make any alteration. This Bill does make no alteration of the existing law with regard to the local authority.

1195. In any of these districts, where the local authority, having purchased the pipes, can supply perfectly pure water at a nominal cost to its own people, do you propose to make them liable for a rateable proportion of the cost of bringing water from any other district?—I do not see that that is involved in the clause.

1196. Yes, it is. I want simply to know whether you are merely saying to the local authority you may purchase the pipes, but you will have to pay for the water whether you purchase the pipes or not. Assuming that the local authority has an abundant supply of pure water, may that local authority, having under your Bill purchased the pipes, say they will not use the water from you, but the water in their own district. You are going to create a totally different state of affairs?—No, I am not. Excepting the company is unwilling or unable to supply under the purchase of this undertaking, matters remain exactly as they are, and this Bill alters nothing with regard to the general rights.

1197. Forgive me, practically this repeals the prohibition to a local authority to put up their own waterworks. You, by this Bill, and all the Bills are similar, say, that the local authority may give you notice within two years to purchase the pipes within their own district, and become their own water authority?

Chairman.] I am informed that the petition for Waltham Holy Cross has been withdrawn.

Mr. *Batten.*] No.

Chairman.] It is suspended until further notice, and there has been no notice of its being re-appeared upon.

Mr. *Batten.*] I am instructed to appear here.

Chairman.] I am informed that the Petition of the urban district of Waltham Holy Cross was withdrawn and marked, "No further appearance until notice," and there has been no notice I am informed.

Mr. *Batten.*] My agent is not here, but I was instructed to appear; whether they thought it would

would not come on to-day I do not know, but I was asked to come here and ask these questions.

Chairman.] I am afraid I cannot let you proceed further until this is set right. I am officially informed that it is so.

Mr. *Batten*.] Then I must resume at a later period.

Chairman.] We will see about that.

Cross-examined by Mr. *Clarke Williams*.

1198. On behalf of the Kent County Council, for whom I appear with my friend Mr. Pember, and also on behalf of Beckenham——

Chairman.] Has not Mr. Pember cross-examined as to this already?

Mr. *Clarke Williams*.

1199. No, Sir. He only appeared on the point as to whether we had a *locus standi*; he has cross-examined for the water companies, but not for the local authorities. (To the *Witness*.) I want to ask you generally, please, do the London County Council agree to this proposition, that in their own districts the outside county councils are entitled to just as full rights and powers as the London County Council within its own district?—No, the London County Council is a specially constituted body, with special power, and totally different to any other county council under the Act.

1200. Of course my question is entirely confined to water supply. Then I ask you, do you admit in principle that the Kent County Council for instance should be entitled to just as full rights in Kent as the London County Council in London?—I cannot answer that question put so broadly as that, because I do not know what you mean by rights.

1201. Is it the intention of the London County Council to ask to be the water authority at all outside its own boundary?—If Kent makes an arrangement to take over that part, we do not want to interfere with it, but if of course they do not, some one must conduct the business; we cannot purchase a portion of the undertaking.

1202. Do you agree with your learned counsel that you cannot blow hot and cold, and that that very argument which he used for the London County Council in London applies equally to the Kent County Council in Kent?—No; I do not think that the Kent County Council, if they were to come and ask to purchase, for instance, would have as good a case on behalf of the public.

1203. Do you, or do you not, agree with the words of Mr. Balfour Browne: "We cannot blow hot and cold; we say we have the right to be the water authority within our own administrative county, but we also recognise the right of Surrey to be the water authority within its county"?—I quite agree with that.

1204. Then I may take it from you that Kent, in your opinion, is entitled to as full rights in Kent as the London County Council in London?—As the Surrey County Council.

1205. I want you to allow me to substitute the word "Kent" for Surrey?—No, I cannot; because they cannot be compared.

1206. Will you tell me why the Kent County Council is not entitled to the same rights, as the municipal authority of Kent, that the London County Council is entitled to?—First of all it is not a municipal authority; it is working under different statutes, different powers, and a different set of conditions.

Mr. *Clarke Williams*—continued.

1207. But is it not equally the county council?—In name they are the same, but you have no Act of 1852, you have no Act of 1871.

1208. But we have the Act of 1888 which you have, have we not?—Yes; and you will find, if you read the Act of 1888, it is divided into parts, and that the provisions relating to London are totally different to those applicable to any other county council.

1209. Will you point to any provisions in that Act which give to the London County Council any different rights as regards the water supply from those rights which Kent ought to have?—Not under that Act, certainly not.

1210. Then that Act does not give you any greater rights, does it?—No; but the 1891 Public Health Act does, and you work——

1211. But the 1891 Public Health Act, if you pardon me, only applies to the metropolis?—I say so, and you are working under the Act of 1875.

1212. The Public Health Act of 1891 does not apply to water?—Yes, it does.

1213. It does not give any water powers?—No, but it declares a house to be a nuisance without water, and you have no such provisions in your Act.

1214. I am dealing with water supply?—That is water supply.

1215. As I understand, you cannot quote to me any Act which has put the London County Council on a different footing with regard to water rights from the Kent County Council except these Bills?—Yes, I do. I say that the whole of the Acts which relate to the London County Council and to the metropolis put the London County Council on a totally different footing and position to any other place.

1216. As before, you are again going into general questions. I ask you is there anything besides these recent Bills which we know of giving you power to spend money in promoting Bills; is there any legislation which puts the London County Council on a higher platform, so to speak, than the other county councils?—Yes; in London you have a rental dependent upon——

1217. But that is only a question of size again——

Chairman.] What particular objection to the Bill are you applying this argument to?

Mr. *Clarke Williams*.] If you will turn to Clause 24 of the Bill, you will find the County Council of London puts itself in the position of holding all the outside authorities at its mercy; it is to buy all these works and sell certain things to them; for instance, "the mains, pipes, and works of distribution so far as they are exclusively appropriated to their district. Secondly, the sale or transfer to the local authority of any other part of the undertaking which in the opinion of the Council is not at the time of the sale

sale or transfer required for the present or future supply of water to London, or of any joint right or interest in such part of the undertaking." We say it is unfair to us that they should come into our district, over which they have no jurisdiction, and take our water, and then say, "before we sell it to you, we will consider whether it is not required for the present or future supply of London."

Witness.] We are not applying for taking water from the County Council at all.

1218. I did not say the County Council, I said our district?—We are applying to purchase, and we shall only purchase the Kent Waterworks Company which has got those rights. That being so, we find that the Kent Waterworks Company has to supply London under certain conditions contained in the Act of 1852, and the Act of 1871—constant supply—and there is a priority of wants necessarily in London to that of the outlying districts. Therefore, when we come to the outlying districts, they have no right except subject to that obligation which the Act of 1852 has imposed upon the company, they have no right to call upon the Water Company now to supply them, their remedy being that if the Kent Company is unable and unwilling to supply them under the Act of 1875 they may establish their own waterworks. That may be left to them now, and in order that they may not be deprived, being outside the county, of that which they are now getting from the company, Clause 24 confers upon them a power to give a notice calling upon the Council as purchasers of the company to supply that which they are now supplying and in bulk. They leave the cost of distribution; they leave the pipes of distribution, and they will simply take, as Richmond is now taking from the Southwark and Vauxhall, a quantity in bulk, which Richmond with its own wells is now distributing at Richmond.

Chairman.] You do not suggest you would be injured by that or put into a worse position than you are now, Mr. Clarke Williams?

Mr. *Clarke Williams.*] Just look, sir, at the position which the County Council presumes to take up. At present, we have an abundance of wells with pure water, and they say: "We are going to take your wells, and before you can touch them we shall judge whether or not in the opinion of the council (that is the London County Council) it is at the time of the sale or transfer required for the present or future supply of water in London"; that is the metropolis.

Chairman.] Does that place you in a worse position than you are at present as regards the water company?

Mr. *Clarke Williams.*] Most certainly, because the water company is bound to supply us without considering London at all, nor have we got to go on our bended knees, so to speak, to ask the County Council for water. They have no jurisdiction there at all; it is a question between us and the water company; either they give us an abundant supply, or we exercise our powers under the Act.

Chairman.] And, as I understand, that alternative will remain to you.

Witness.] Certainly. This Bill will not repeal any provision of the Public Health Act of 1875.

Chairman.] As I understand, it is not contemplated that the alternative of seeking a supply elsewhere if they failed to supply you shall be taken away from you.

Mr. *Clarke Williams.*] I am referring to our own district. The Kent Company is bound to supply us with water, under its Act, because we are in its district. Now the County Council are coming, as they say, to take our water, and are not to be bound to supply us at all, but to take the water for London, and if they have any over, sell it back to us. That is the position they are trying to take up in our district, although, as Mr. Harrison pointed out, the Kent Company's area is far more under the jurisdiction of the Kent County Council than of the London County Council. There are as many as 174 square miles outside, which are not in the London County Council, but under the Kent County Council, and the sources of supply are also in our district; therefore, we say we have a right to be considered first, and not after London.

Witness.] These wells are the wells of the company; they are not the wells of the County Council of Kent.

1219. From which we have a prior right of supply?—From which you have a right of supply.

1220. A prior right?—No, that I do not agree with; from which you have a right of supply from the existing company, and by this Bill when the County Council assume a purchase will be made, it will be subject to all the rights and obligations which the company is now under to supply. By the Acts of 1852 and 1871, there is a prior requisition of constant supply applicable to London, and it must be which consumes the water before it may get to Kent under the existing system. That will not be interfered with, but the company can, if they choose, give a notice to the council optionally to supply them in bulk if they are not satisfied with——

Chairman.] And compel you to do so?—And compel us to do so.

Mr. *Clarke Williams.*] I cannot follow what Mr. Harrison says.

Chairman.] What he says is that you can serve a notice under this Bill which we are now considering to compel them to supply you with the water in bulk, if you are not satisfied with the supply you are getting.

Mr. *Clarke Williams.*] That is not enough for me. It is quite true I can exercise those powers, but it is those powers I object to. They leave me in a worse position than I was. First of all, *quâ* the local authorities for whom I appear, it takes away the right altogether to supply themselves if the supply of the company is not satisfactory. Secondly, it takes away the right to deal with the company; and thirdly, *quâ* the whole district, they take away our water and consider London before considering us, although it is our water; that is putting it shortly.

Witness.] If I may refer the Committee to the end of Clause 16, "From and after the date of

transfer the council shall hold the undertaking, and may exercise the rights, powers, authorities and privileges of the Lambeth Company, subject to all the duties, obligations and liabilities of the Lambeth Company under the recited Acts, or any of them, in like manner, *mutatis mutandis*, as if they were the Lambeth Company"—that would be the Kent Company in this case.

1221. "May exercise"? — One moment. "Subject to all the duties, obligations and liabilities of the Lambeth Company under the recited Acts, or any of them, in like manner, *mutatis mutandis*, as if they were the Lambeth Company."

1222. "Shall hold the undertaking, and may exercise" are the words?—Exactly, but it is subject to these obligations.

1223. "May exercise," not "shall"?—But you can only exercise them subject to those obligations. This clause is perfectly clear, it does not alter the obligations in any way.

Chairman.] I think I understand your point now.

Mr. *Clarke Williams.*

1224. If you please, sir. (To the *Witness.*) Generally upon that, can you give any definite reason why the Kent County Council should not, in the first instance, either directly buy the Kent Company, or at any rate be a party to the purchase, and so save the expense of a double arbitration and a double transfer?—If Parliament had sanctioned, and the County Council had got a Bill to purchase the Kent Company, and to sell such area as is within the county, we should then have been in a position to consider it.

1225. "Consider it"; but taking that assumption, can you tell me now what your opinion is?—No, I cannot.

1226. You cannot give me any opinion as to whether you think we are entitled?—No.

1227. Can you give me any reason why we should not be entitled in that case?—Nothing has prevented you, except your inability to promote Bills.

1228. But suppose we did come to Parliament in combination, and asked Parliament to make a water authority for that district (and I may tell you that the district is prepared to do that, so perhaps you will take that from me as an assumption upon which to base your answer), can you give any reason why the Kent County Council or the water authority should not be in the first instance a party to the purchase?

Mr. *Worsley Taylor.*] I do not want to interfere unduly——

Chairman.] I think it is a fair question.

Mr. *Worsley Taylor.*] And germane to this Bill?

Chairman.] Yes, we discussed that matter a short time ago.

Witness.] The answer I give to that question is this, that if the Kent County Council were, in answer to our suggestion and offer of treating them on the basis of the Surrey County Council agreement, to make a counter proposal that they should have a Water Trust for the area outside the county, not the slightest objection would be made; it is immaterial to us.

Mr. *Clarke Williams.*

1229. You admit, I suppose, that the position of Kent is different from that of Surrey. I will give you three reasons why it is different. First, you have told us yourself there are 174 square miles of area outside London. Secondly, they have all the sources of supply sufficient for their needs, which Surrey has not; and thirdly, as I have told you, they are prepared to become the water authority, which the Surrey County Council is not prepared to do. Do not those three grounds constitute good reasons for treating Kent differently from Surrey?—They would be good reasons for our considering the counter proposal.

1230. Answer the question?—I do not know, and I have not given——

1231. Are they, or are they not, in your judgment good grounds for treating Kent differently from Surrey?—No, they may be good considerations for approaching the negotiations from that point of view. The second question that the learned counsel accepted was that the Kent County Council had got sufficient water from the present sources of supply in Kent. That is an engineering question. I do not know it.

1232. But I am not asking you engineering questions, I asked you to assume that?—That is exactly what I cannot assume; it is a fact the engineer would be able to speak about, because he has investigated it.

1233. Mr. Balfour Browne said he was prepared to negotiate with us on the lines of the Surrey agreement?—I quite agree.

1234. And I was asking whether there are certain grounds for diverging from the Surrey agreement?

Chairman.] The Witness admits there are differences, but that, I think, is as far as you can put it.

Witness.] There are differences, certainly.

Mr. *Clarke Williams.*

1235. You have several times informed the Committee that in your opinion there is a monopoly for the water companies outside London, and not in?—Yes.

1236. Have you any other reason for that except Section 52 of the Public Health Act, the section you have referred to so often?—I rely upon the opinion of Mr. Fitzgerald, which has been alluded to. I concur in that opinion.

1237. Can you give me yourself any other authority but Section 52 of the Public Health Act. For instance, the water companies make no distinction, do they, between the two sides of the present border of the county of London?—Yes, they do.

1238. Where, how could they; when was the present county of London made?—In 1852 the metropolis was the same area as the county is now, and was subject to the Metropolis Act of 1852. It was so defined then.

1239. Can you point to any section in the Water Companies Acts which draws a distinction at the boundary of the metropolis, and says the supply is different on either side?—Yes, that section which is in all the Acts in 1852 of the water companies says that they are to be subject to any general Act which may be passed by the then

Mr. *Clarke Williams*—continued.

then present or future Parliament, and the Act of 1852 was passed cotemporaneously with those Acts.

1240. Am I not right in suggesting that the metropolis was first constituted in 1855?—No; you will find, if you will refer to the Act of 1852, that the metropolis, which is the same area, was established by that Act. There is no doubt about it.

1241. Can you refer me to any section which draws a distinction between the two sides of the boundary?—I was answering that question; I thought I had answered it perfectly clearly. All the Water Companies Acts in and after 1852 declared that they were to be subject to any general law passed in the session of 1852, or subsequently. That therefore made the Kent Company and other companies, after 1852, liable to that provision of 1852, and it also made them liable to the general Act of 1871. There are different liabilities and duties under both of those two public Acts which are inapplicable outside the county, and in that way you get a division.

1242. But does any one of the answers which you have given go to this point, that there is a monopoly outside London, in the Kent Company's district, which there is not within?—Yes.

1243. I should like you to refer me to the Section, because I have searched and cannot find it?—I say that they are subject in London to a different set of conditions to what they are outside.

1244. I will not pursue that. Let me come to Section 52 of the Public Health Act, 1875. You have relied on that more than once as establishing a monopoly for the companies outside London, is not that so?—That, taken in conjunction with private Acts, certainly.

1245. But to the Committee you have relied on that section several times, as showing that there is monopoly outside which does not exist inside; do you still adhere to that opinion?—Yes.

1246. First of all, does that section apply to any competitor whatever except to one of the new local authorities established by that Act?—I think so.

1247. Will you look at it, please?—Is it not merely a restriction on the new competition then created by Parliament, or what would have been a new competition, but for this saving clause against the water companies by founding a large number of new authorities outside the metropolis, who, of course, as regards the urban authorities, would have the best parts of the companies' districts?—No, because the clauses as regards water in 1875 are very nearly identical with those in the Public Health Act of 1848.

1248. That may be?—I can give you the clause, if you like.

1249. But is it not the fact that it is only a restriction, and that a partial restriction, upon local authorities, and not upon any other competitor?—No.

1250. Can you tell me what other competition with water companies, besides local authorities, are touched by Section 52 of the Public Health Act of 1875?—I really do not follow the question.

1251. The question is a very simple one?—I am not complaining of it. I only say I do not follow it.

Mr. *Clarke Williams*—continued.

1252. You said it restricted general competition. I put it to you that the section only restricts competition by local authorities, and I ask you, can you tell me any other competition than a local authority who is restricted by that section?—No, I should think not.

1253. Then I may take it you do not now maintain that that section does create a monopoly outside the metropolis?—It is no good going over the matter over and over again. I have told you that in my opinion, in conjunction with the private Acts——

1254. I did not ask you in conjunction. Will you take that section, look at it, and answer my question?—I have read the section, and I know it perfectly well.

1255. It is Section 52?—I know the section, and I will do anything I can to assist you.

1256. Is not all that that section says, this: that a local authority shall not compete with a water company as long as it is able and willing to give a sufficient supply for all reasonable purposes, or words to that effect?—Yes.

1257. And that does not touch any other competitor but a local authority therefore, does it?—That section does not.

1258. It is perfectly feasible, therefore, for there to be a competition in the outside district of Kent, is it not?—No; not without Parliamentary powers.

1259. Pardon me; take, for instance, a landowner who has a large estate with private roads;—Certainly.

1260. There are such, you know?—Yes; quite so.

1261. Then competition is possible outside London?—If you call that competition, yes. It is not a sale simply because a private owner sinks a well or makes his own waterworks. No public authority could expend money without statutory powers enabling them to do so.

1262. With regard to Beckenham, do you know that the population of the Beckenham Urban District is 20,000*l.* and that it happens to be supplied by the Lambeth Water Company? Would there be any objection on the part of the Council to transfer that part over to the same authority as to the other part of the Kent outside district?—I should think not on the lines of Surrey.

1263. I did not ask you to qualify it upon the lines of Surrey.

Chairman.] Why do you go into this particular matter of Beckenham? I do not see how it affects the matter.

Mr. *Clarke Williams.*] It is in the Lambeth water district, and the Lambeth Bill is before you, but it is in the Kent County Council system.

Chairman.] Quite so; I had forgotten that.

Mr. *Clarke Williams.*

1264. (To the *Witness.*) Would the London County Council have any objection to the transfer of that piece, whether with or without water, to the Kent County Council, or the water authority for the district?—It is offered under the section of the Bill.

Mr. *Clarke Williams*—continued.

1265. Pardon me; I am not going to the section of the Bill. Would they object to a complete transfer and severence; understand me, I do not mean under the Bill so that they would have nothing more to do with it; to the Kent County Council.

1266. Severence of that portion from their district in which they supply water?—Severence of what are you speaking of; water powers?

1267. Everything, cut it clean off; take it away from your district and hand it over to us?—But how can I cut off a water supply.

1268. I do not ask you from an engineering point of view; I ask you whether that being outside their district, and coming within the general principle enunciated by Mr. Balfour Browne, that you did not want to be the water authority outside your district, you will concede to Beckenham the right of taking that piece into Kent, to which it belongs?—Certainly the distributing works.

1269. That is not what I asked?—I know of no power which is especially appropriate to the Beckenham Board; the engineer may be able to tell you; I cannot.

1270. In this case there is a power, because here we have a local authority with powers under the Public Health Act to supply. Would you have any objection to handing it over to the local authority?—We do not care to what authority it goes.

1271. You fence with my question. I ask you, are they willing to concede our right to take that piece right over, so as not to be mixed up with London rates or London water in any way?—Certainly, you cannot take the water that is coming through to Croydon; you cannot sever that.

1272. Assuming we can supply it with water, are you willing, as a matter of principle, to allow that small bit to be knocked off?—If you can supply it with water, you have no need to serve the notices under the 24th Section to require any council to supply you, and under the 22nd Section you have the power of acquiring by arbitration the distributing works.

1273. You know, as well as I do, that there is no power in your Bill to do this; and I ask you whether, as a matter of principle, you are willing to either concede that we should be entitled to take that little piece of Kent back into Kent, and supply it ourselves. I want the whole of it; its pipes, rights, and powers?—There are no rights of supply exclusively with regard to that.

1274. What do you mean by that "there are no rights of supply exclusively with regard to that"?—There is no supply from the Thames that goes to feed Beckenham district exclusively.

Chairman.

1275. Do I understand you to say you would not be willing to do as is suggested?—Quite so; you physically cannot do it.

Cross-examined by Lord *Robert Cecil.*

1276. Just a few questions on behalf of the Middlesex County Council. On general principles, I am not quite sure that I follow how far you agree with what Mr. Balfour Browne laid down as general principles. Do you agree, as a general principle, that London should not have any jurisdiction in the counties outside London?

Chairman.] Are you appearing for the proprietors of the West Middlesex Waterworks?

Lord *Robert Cecil.*

1277. No, sir; I appear for the Middlesex County Council. (To the *Witness*): Do you agree, as a general principle, that London should not have any jurisdiction in the counties outside London?—If you take over that portion which is outside the county, of course.

1278. But do you agree, as a general principle, that that is a desirable ideal?—The ideal of Surrey is based on that, and that we should desire to apply to Middlesex.

1279. Of course that would be a matter of discussion afterwards?—It is a matter of application.

1280. Taking that to be the effect of the Surrey agreement, you do adhere to that as a general principle, do you not?—Yes.

1281. It is, is it not, in accordance with what Sir William Harcourt's Committee reported?—That I cannot say; you must draw your own conclusion about that.

1282. That the supply of water should be under the control of a public authority which represented the interests and commanded the confidence of the water consumers. The London County Council does not represent the interests and not necessarily commands the confidence of the water consumers outside. I have no desire to say anything against them. Do you follow my question?—Quite, I should have thought they did, because in the case of Surrey they are working with us.

1283. But they do not represent them in the sense of being a representative body?—Of course not.

1284. Theoretically, no doubt, it might work out all right, but practically there might be a considerable disadvantage to the outside authorities in having London substituted for the waterworks companies as the suppliers of those districts?—I do not think so. Of course it would be their own wish and desire to do it, because, as far as the Council is concerned, they are quite ready to leave the outside authorities to manage their own affairs.

1285. I do not think you followed what I said. Supposing as the result of circumstances—which I will go into in a minute—that the effect of this Bill will be to put these outside authorities under London, do you or do you not agree with me in saying that it would be a disadvantage to substitute for the water companies the London County Council?—I say I do not think it would be a disadvantage if they chose voluntarily to put themselves in that position.

1286. That is not quite an answer. I wish you to give me an answer without the proviso at the end of it. Do you or do you not think it a disadvantage, apart from whether they choose to do it or not?—No, I do not.

1287. The interests of those whom the London County Council represent are not the same interests as those whom the Middlesex County Council

Lord *Robert Cecil*—continued.

Council represents, are they?—On all points as regards water, no.

1288. That has been an opinion expressed more than once, I think, by Water Committees of the London County Council?—I think so.

1289. For instance, supposing the London County Council adopted the scheme of supplying free water to the poorer districts of London, in order to make two ends meet, would not there be a temptation to impose a higher rate on the outside authorities?—You know the Middlesex county do not come into contact with the companies which do supply the poorer districts. The two water companies, the Grand Junction and the West Middlesex, I am not aware do supply the poorer districts within their area, or could possibly do it.

1290. Surely you are not going to tell the Committee that there is no portion of the districts which the West Middlesex and the Grand Junction supply, which is not a poor district; what about Lisson Grove?—Not in the sense in which you used it. I do not know any aggregation of district in the west end of London which can be called a poor district.

1291. Generally it might be the case, might it not? Take the New River Company which supplies an enormous mass of poor districts; supposing the London County Council elected to supply those poor districts free, would it not be under a temptation to raise the rates in the outside districts in order to compensate for the loss it would so suffer in supplying the poor districts free; that is to say, charge the maximum rates which are not charged at present?—Of course as regards a water area of each particular company, they might exercise a different rate of charge inside the county to that which they imposed outside.

1292. In the same way, supposing the London County Council elected to go to Wales for a fresh supply of water, and they were anxious to throw a portion of the cost of that Welsh supply on the outside districts, would it not be within their power, as the water authority, to put considerable pressure on the outside districts?—No; it would be entirely a question for Parliament to deal with when that application was made.

1293. I say supposing they had obtained the supply, and they were anxious to force the outside districts?—They could not force them without Parliament was so pleased.

1294. I do not say they could technically force it, but they could make it very unpleasant for the outside districts if they chose, could they not?—How?

1295. By supplying the least possible quantity of water at the largest possible charge?—No, you are under an Act by which you are to supply a full and sufficient quantity, and there can be no doubt——

1296. Forgive me, that is not the provision of your Bill?—It is the provision of the Bill, because that is the provision and liability of the present water companies of which we might be the transferee.

1297. That is not the provision of Section 24 of the Bill, but I will come to that in a moment—I will come to it in fact now. Is not the general scheme of this Bill that the London

Lord *Robert Cecil*—continued.

County Council should buy up the undertaking of the Lambeth Water Company, and then either by agreement or by compulsion re-sell a portion or the whole of that undertaking to the local authority?—By the Bill, no, not as framed.

1298. Is not that so?—No, only to sell the distributing works in the area.

1299. Have you considered Section 23?—Yes, it is limited. The other is an option.

1300. Section 23 is limited to distributing works?—"May enter into agreements."

1301. However, I do not care much about Section 23?—It is optional, and it is limited to the distributing works and to the sale or transfer of such portion of the undertaking as is not wanted for London. Under Section 24 the Council being liable to all the obligations under Section 16 of the Lambeth Company's Act with regard to supply, you may, having got your distributing works, if you do not want to establish your own works, take it even in bulk, and make your own charges. We give the remedy for any difference of charge in your power to take the water in bulk; there is no question as to the charges being different in London to what they are in the outside area; the local authority would establish its own charge.

1302. Then your suggestion to the Committee is, That supposing there was any attempt at differentiating the charges between London and the outside areas, it could be set right by the powers under Section 24?—Certainly, you would say, "Give us so much water in bulk upon these terms;" then you have the distributing works, and you would make your own charge.

1303. Is that what you wish the Committee to understand?—Certainly.

1304. Let me point out that Section 24 only provides for a quantity of not less than 25 nor more than 35 gallons a day?—Yes.

1305. If in any district it may be shown, as I believe it can be shown, that a very very much larger quantity than 35 gallons a day is required, that would give the precise power I am pointing to on the part of the London County Council to put pressure on that district?—You must ask all these questions as to quantities of the engineer, but I believe you will find that 35 gallons a day would consume the whole of the power and more of water supply which this company has got.

1306. You have introduced the engineering point, but assuming I am right about it, that is so, is it not. The London County Council could put pressure on such a district by declining to supply more than the 35 gallons per day?—It preserves your rights. The engineer will answer that.

1307. I see that you limit its compulsory power to two years, why is that?—Because we have to make arrangements to know whether you are going to pay a portion of the purchase-money or not, and whether you are going to take the quantity in bulk or not, because the supply in bulk depends upon the vast number of circumstances and adjustments which the engineer will enter into—to considerations about reservoirs, the economy of reservoirs, and instead of having two companies with their reservoirs close to one another, one may be used for one and another

Lord *Robert Cecil*—continued.

for another area, and there would be adaptabilities of those sorts which would make a considerable difference.

1308. Is not this possibly a reason, too: that when you have introduced the Welsh supply, the value of the water undertaking will be comparatively little to you?—I do not know; we have no Welsh supply yet.

1309. You have not; but I understand, from my perusal of the County Council literature, you contemplate getting one very early?—I do not think so. I do not think we have any report on any scheme.

1310. Possibly not a report?—No, it is a matter of investigation.

Chairman.

1311. Do I understand you to say now that you do not contemplate seeking for a new supply of water, either from Wales or anywhere else outside the Thames and Lea?—No, I did not say that. Oh, no. I said the matter was being investigated. Lord Robert Cecil put to me the question as to whether there was any report on the Welsh scheme, and I said no; at least, I have never seen one.

Lord *Robert Cecil.*

1312. Do you say the County Council are not going to Wales?—I do not know where they are going to whilst investigations are being made.

1313. But you are going somewhere?—We are investigating the questions, and until those investigations are completed I cannot give you any answer.

1314. There are, then, one or two questions as to this transfer from the London County Council to the local authority. I see you do not put anything in Clause 6 with reference to that arbitration?—I do not follow the question.

1315. I am referring now to the last paragraph of Section 24, which provides for the compulsory sale to the local authority of certain portions of the water undertaking at a price to be fixed by arbitration. Do you provide that the terms of Clause 6 shall apply to that arbitration?—No.

1316. Why not?—Because we shall have already bought; and the particular thing under Clause 6 of the arbitration is limited to one particular portion of the particular words which can be valued out easily enough; I mean, if you value distributing works, it is so many pipes laid down so much; it is a valuation, and has nothing to do with the supply or rental, or anything of the kind, it is actual value; an engineering question. It has nothing to do with Clause 6.

1317. Do you say that the provision in Clause 6, which provides that no allowance shall be made for compulsory sale, is not applicable to such an arbitration?—I do not think it is.

1318. Why not?—You are only to pay the value of the distributing works.

1319. That is all you are to pay under any arbitration?—This is a voluntary clause submitted to by the Council, and we are willing sellers.

1320. Do you say that this Section 24 is a voluntary clause?—Yes.

1321. But it is not a voluntary clause?—I say it is voluntarily offered by the Council, therefore we are willing sellers.

Lord *Robert Cecil*—continued.

1322. Now you are giving a different reason for not putting in the provision of Section 6: This is a concession the County Council are pleased to make?—Not a concession the County Council are pleased to make. The intention of the County Council with regard to the 10 per cent. is in your favour, because the supply of water will be so much the cheaper the cheaper it is bought.

1323. I am not all complaining of the provisions of Clause 6, that is no part of my case. As representing the Middlesex County Council, I do not care what bargain, or want of bargain, you make with the water companies, but I am asking you why we should not have the benefit of what you regard as fair when dealing with the water companies. Why is it fair to deal with the water companies on one basis, and the local authorities, when you are a seller, on a different basis?—One is a purchase relating to the whole undertaking, and I say with regard to this clause we are willing vendors, and I cannot conceive that any 10 per cent. will be added.

1324. And you can give me no better answer than that in one case you are sellers, and in the other buyers?—Willing sellers of a particularly small article, which can be valued to a pound by experts.

1325. I do not see that you are willing sellers makes any difference?—I beg pardon, there is 10 per cent. on compulsory sale.

1326. What is the meaning of the last sentence of Section 24: "And to any protection afforded to the Lambeth Company under the Public Health Act, 1875, in respect of so much of their district and is within the control of such local authority"?—That is a provision to prevent anything being said in this Act, that it has altered the law of the Public Health Act of 1875.

1327. In fact, then, it is a provision to upset that case which Mr. Balfour Browne told us of the Kirkleatham Local Board and Stockton and Middlesborough?—I was not present, and I really do not recollect what you are referring to.

1328. At any rate, what you say is, that that is in order to enable you to change your statutory monopoly outside London, which you will have from the companies, is not that it?—No, what I say is that that proviso is to preserve exactly, and so that nothing in this Act shall at all affect the Public Health Act of 1875.

1329. But surely is not the effect of that designed to be that you are to be able to charge for the monopoly which you will take over from the Lambeth Company in the outside district?—No. I see the point now that your question has directed attention to. That is to meet this condition of things. It is contended, and I believe successfully, each company under the Act of 1875 is entitled to say, so long as we are able and willing to supply you, the local authority shall not set that up. Therefore, when we come to purchase the undertaking, it may be that the companies may say: "We have a clear monopoly as regards the outside area, and you are going to purchase us, and, therefore, that monopoly is worth something, and you may take that into consideration." And the arbitrator might

Lord *Robert Cecil*—continued.

might award a certain sum for the purchase of that monopoly which exists in that outside area, which is a growing area, and the area in which the future population will come and will increase. Therefore, it is that this proviso is inserted, so that in fixing the amount of any price or consideration to be paid by the local authority under this part of the Act to the Council, the arbitrator shall have regard to any award made in the arbitration between the company and the Council, and to any circumstances specially affecting the district of such local authority, or to any protection afforded to the company under the Public Health Act, 1875, in respect of so much of their district as is within the control of such local authority. That is to say, that if we, the purchasing company, have paid for the abolition of the monopoly in that outside area, and the outside area are taking that portion of the outside undertaking, the arbitrator shall have regard to any circumstances mentioned in the award, with regard to the payment made for the abolition of that particular monopoly.

1330. If I may venture to get this quite plainly, because it is an important matter, what I understand you to say is that the County Council will take over the monopoly, or what has been called the monopoly, of the Lambeth Company in the outside districts, and when it resells to the local authority you say it is fair they should be paid for it. Is that your point?—No; we say that in the arbitration the arbitrator shall have regard to that award, so that he may take that matter into consideration; nothing more than that.

1331. But is not that substantially what you think; that it is fair that you should be paid?—Of course, we should contend under that clause, if we have to pay for it, that the local authority which has got the benefit of the purchase for which that particular item has been paid should, when taking over that particular portion of the undertaking, pay that particular price. But, of course, it would have to be severed as regards each local authority, because this price would have to be paid as regards the whole monopoly of the area outside London, whereas the particular arbitration would be only in reference to the area of the local authority purchasing its own small portion of the distributing works.

1332. Are you aware that Mr. Balfour Browne expressly repudiated the doctrine that the County Council should pay for this monopoly outside London in buying from the Lambeth Company?—I hope so, and I hope we shall be able to, perhaps, persuade the arbitrator not to take it into consideration, but if he does it must in our resettlement with the local authorities be again considered. We are only purchasing for them, in fact.

1333. I understand you to say that you are prepared to deal with other county councils, supposing they wish to, upon the same general principles as you have dealt with Surrey?—Yes.

1334. Are you going to insert any amendment in your Bill to carry out the Surrey agreement and make it effective?—I believe so; by the agreement it is stipulated.

1335. Those amendments have not been submitted to us, I think, yet?—We have not got the Bill to that stage. I do not know what the Parliamentary procedure is; I fancy it would be after the passing of the Preamble.

1336. At present the Surrey County Council, as you have already said, I think, are not, and have no power to become, the water authority for any part of Surrey?—Not as far as I am aware of.

1337. You know the general provisions of the Act of 1888, I suppose, sufficiently to answer me that?—Yes, pretty well.

1338. How do you propose, then, that the Surrey County Council should obtain power to become the water authority?—I do not know, you must ask them and their Parliamentary advisers. I cannot tell you.

1339. Would they take it at their risk?—That is a matter I have not considered.

1340. Let me ask you to consider it. Have you considered Sub-section B. of the 15th Section of Local Government Act of 1888?—No, I have not.

1341. That is the section, you know, which gives powers to the County Council to incur legal expenses under certain circumstances. Let me read the sub-section. "This section shall not empower the County Council to promote any Bill in Parliament or incur or charge any expense in relation thereto." That is a section which, I believe, gave the London County Council some trouble at one time?—No, that was not the section. Ours was under another Act altogether.

1342. At any rate, you do know that section?—Perfectly.

1343. Therefore, I am right in this, am I not, that the Surrey agreement is, with respect to Surrey, not worth the paper it is written on, unless a public general Act is passed to support it?—Yes, it is; because they frequently have promoted Bills.

1344. Surrey have?—One moment, county councils I am speaking of. At the end of every Bill, as you know, there is a costs clause in order to enable them to pay the costs out of the county rates.

1345. If the Bill is not passed, what then?—They were as they were, I suppose.

1346. I suppose some one has to pay—who pays—the members of the County Council, or what happens?—I believe there is a power under the Borough Funds Act, if you take the proper steps.

1347. Not in regard to the County Council?—Yes, because we do it.

1348. But, as you have explained, you are in a totally different position to ordinary county councils?—Not on that point, we have promoted other Bills, and make use of the Borough Funds Act in London. We have held meetings and authorised expenditure.

1349. Is not the practical result that they would be surcharged any expense of that kind?—If they did not get the proper legal power, of course.

1350. But they could not get the proper legal powers?—I do not know that.

1351. Point out to me any section in the Act of Parliament by which they could do it?—I tell

Lord *Robert Cecil*—continued.

tell you they can apply the Borough Funds Act, I believe.

1352. In spite of this provision in the Act of 1888?—Yes.

1353. And that you seriously represent to the Committee?—Yes, I do; because although not authorised by that Act, they are authorised by the Borough Funds Act.

1354. That is your answer, that they can get round this express provision of this Act of Parliament by some Act which was passed I do not know how long ago?—No; I understand there is no legal power which can prevent anybody in the world petitioning or promoting a Bill in Parliament.

1355. Do you say that?—Yes, I do.

1356. Do you, really?—Yes; it is the abstract right of everyone. I am perfectly clear about this. The only objection is that you may not spend money upon it, and the remedy is in disallowing or visiting personally the expenditure on the persons who spend the money, if it is not an authorised expenditure; but the abstract right to petition or to promote the Bill is existent in every railway company and in every corporation in the world, and the Courts have so settled it now, that if the London and North Western chose to turn itself into a Transatlantic packet company, and chose to petition Parliament, you could not restrain, and the Courts will not restrain the application to Parliament. They will restrain the application of the railway companies' income to any such purposes. There is a great deal of difference between the two; it has been discussed over and over again and settled, and I am sure no one will dispute that law.

1357. I am amazed at that law. May I ask this question, is there any provision in the Bills of any of these companies which you have mentioned to the effect that they shall not promote Bills in Parliament?—No, nothing. Nothing can take away a right to promote a Bill or the right to petition Parliament, and on public Bills we oppose in the same way.

1358. Then you say, the proper course is for the Surrey County Council to promote a Bill in Parliament, and trust to this device of yours for getting the expense allowed?—It is no device of mine; I do not think there would be any opposition, and I do not think Parliament would object.

1359. No opposition to what?—To the County Council taking over its water area.

1360. I should think it would be against the Standing Orders of this House.

Re-examined by Mr. *Worsley Taylor*.

1361. You have been cross-examined by my learned friend, Mr. Bidder, who appears for the water companies; by my learned friend, Mr. Littler, for the Kent Water Company; my learned friend, Mr. Williams, for the Kent County Council; and by my learned friend, Lord Robert Cecil, for the County Council of Middlesex, with regard to your relations with the outside authorities. Had you in mind when you introduced this Bill the two recommendations of the Committee presided over by Sir Matthew

Mr. *Worsley Taylor*—continued.

White Ridley in 1891, which I will read. They are 4 and 5. "That subject to any such arrangements, the new water authority should take over the duties and obligations which the present water companies now have towards the consumers of water in the districts outside the boundaries of the County of London, but within the limits of supply of the present companies. That in the event of purchase by the new authority, power should be given to that authority and to the authorities of the outside area to negotiate for the purchase of the latter (a) of so much of the works of the distribution as is appropriated to the district of such local authority, and of the right to a supply of water in bulk from the new authority, or (b) possibly of some of the sources of supply which, with their works of distribution, it might be found practicable and advantageous to sever from the general scheme"?—Yes, that was adopted by the council, and has been the basis on which we proceeded.

1362. You had, as I understand you, those two recommendations in your mind in framing your Bills?—Yes.

1363. And are the Bills framed with the idea, at any rate, of carrying those out?—They are.

1364. With regard to the first part of it, that is "that subject to any such arrangements, the new water authority" (which we will assume to be the County Council) "should take over the duties and obligations which the present water companies now have towards the consumers of water in the districts outside the boundaries." In your view, is that carried out as intended to be carried out by the 17th clause of the Southwark and Vauxhall Bill?—Yes.

1365. "From and after the date of the transfer, the council shall hold the undertaking, and may exercise the rights, powers, authorities, and privileges of the Southwark and Vauxhall Company"; then follow these words: "subject to all the duties, obligations, and liabilities of the Southwark and Vauxhall Company under the recited Acts, or any of them, in like manner, *mutatis mutandis*, as if they were the Southwark and Vauxhall Company." Is that intended to lay upon you primarily, if you get these water undertakings, the duty to supply water to the whole of the Southwark and Vauxhall or the Lambeth Company's districts in precisely the same manner as the Lambeth Company are now bound to do it?—Yes.

1366. That being your obligation, did you further proceed by those Clauses 24 and 25 to give the opportunity of entering into arrangements for a transfer of either the sources or the distributing works in the outside areas to the outside authorities?—Yes; and giving them a right to call upon us to supply in bulk.

1367. As a matter of fact, in this case we are dealing with the Bills of the Lambeth Company and the Southwark and Vauxhall Company, and those alone, are we not?—Yes.

1368. Is there any other local authority that you are aware of that is interested in those outside matters other than the County of Surrey and the Borough of Croydon?—No, none.

1369. Have you been able to enter into arrangements

Mr. *Worsley Taylor*—continued.

arrangements with those two bodies, which are perfectly satisfactory to them to start with?—Quite.

1370. Mr. *Clarke Williams.*] I cross-examine for Beckenham, you know?—Beckenham is in Kent.

Mr. *Worsley Taylor.*] I quite agree there is a little bit of Beckenham which is in Kent.

Mr. *Clarke Williams.*] And there is a little bit which is in Surrey.

Witness.] Half a street.

1371. With a population of 20,000 people?

1372. Mr. *Worsley Taylor.*] When we come to the consideration of smaller details I will deal with this. (To the *Witness.*) As I understand, you have made agreements with the great local authorities of Surrey and Croydon with which they and yourselves are both satisfied?—Quite.

1373. Is there any local authority in Surrey which raises any question whatever as to the agreement you have made with Surrey?—None that I know of.

1374. With these two Bills—the Lambeth and the Southwark and Vauxhall—have the County Council of Middlesex or the County Council of Kent, or the Kent Water Company any concern whatever?—None.

1375. Do I understand you still to say, as my learned friend Mr. Balfour Browne said in opening, that you are perfectly ready, when the cases of the Kent and Middlesex companies come on, to consider and negotiate agreements on similar lines?—Certainly, if we shall not have already by that time made arrangements.

1376. I think that is sufficient upon that point. There are one or two other matters I want to ask you about as to your cross-examination the other day. It was suggested at Question 254 by my learned friend Mr. Pember, that there should be some restriction on your right to proceed with certain Bills. Was that a matter which was discussed very fully in the House?—Yes.

1377. And I think this instruction was moved upon that matter: "That it be an instruction to the Committee to insert a clause."

Chairman.] The Committee have already had that clause read.

Mr. *Worsley Taylor.*] Then I will not further refer to it. If you will kindly stop me on any point as to which you have full information I shall be obliged. (To the *Witness.*) Then on Question 341 I want to ask you something: "I noticed all through you used the words constantly 'probable and improbable.'" (This has reference to Condition 2 on Clause 6.) You are asked whether you intend to tie the hands of the arbitrator, and the probability of such powers being limited. Then my learned friend Mr. Pember puts it to you: "Why are we to take it for granted that the limitation of those powers is probable; why is he to take it for granted"? Is there any intention to tie the hands of the arbitrator, or force him to assume in any way that a limitation of that kind is probable or is to be taken for granted?—Oh, no; we should have to satisfy him by evidence, and by what has passed before, whether that would be a probability that would be reduceable to a practical result.

1378. Then the precise form of the clause is a matter for argument, and we will deal with that when we come to argue?—Yes.

1379. I want to get the intention as far as you know it yourself. Is there any intention to do more by these words than to make it incumbent on the arbitrator to listen to argument and evidence upon that point?—No, nothing more; that is the intention, that he shall stand in the same sort of position in which I might say this Committee would be if investigating the matter.

1380. Is your fear that if words of that kind are not put in, when a point of that kind is started the water companies might say: "This is not within the scope of the reference; we require you to exclude all discussion upon it even," and that the arbitrator may take that view?—I not only fear, but I am quite clear that in the absence of some such enabling words which the arbitrator, to enter into that, that it would be excluded, and that no court would say that the exclusion was an improper exclusion under the circumstances.

1381. The sole purpose, therefore, is to allow you to tender him evidence and argument on the point?—Certainly.

1382. But he would be bound, I take it, in all cases to act only upon evidence?—Quite so, and the circumstances which I have already mentioned as to this company is a very fair illustration. Charges fixed by an Act in 1834 under one set of conditions—additional water-closet charges added by an Act of 1848, all the 1834 charges being fixed on the 7 per cent. rental. Then, in 1852, two other companies, which have 7 per cent. charges altered and reduced to 5 per cent. charges, and then other companies which had also higher charges reduced by the Act of 1852 to 4 per cent. charges, so that you have in the Lambeth Company's case one company only out of the whole eight that is resting (with the exception of Kent) on the 7 per cent. charge; and what we mean and intend as to the legal powers or probability which is mentioned in other clauses, would be to ask the arbitrator to take all those circumstances into consideration, and we should ask him whether it would be likely or probable that Parliament would allow these charges to remain in all perpetuity unrestricted, and that therefore he must calculate the income for the future as being based upon that perpetuity of charge fixed by that Act of 1834, and not by some modified scale such as that of 1852. I only mention that by way of illustration.

1383. You illustrate that rather with regard to charges. I was pointing to the probability of legal powers, but the same principle would apply?—Certainly.

1384. The arbitrator is only bound to act upon facts, as to which you convince him; that is the short point?—Yes, the legal powers to take water would be illustrated by the case of the Thames Conservancy Act prohibiting further supply; that would be continued.

1385. Now, a word about the means of satisfying

Mr. *Worsley Taylor*—continued.

fying your liability if the undertakings are transferred to you. I do not want to carry it further than this: that you state the fact that you have introduced a Money Bill for the express purpose of dealing with that matter?—Yes.

1386. I do not know whether you know why it has been stopped, or the proceedings are not going on for the moment?—I think I have explained to the Committee the period must be 60 years; but we want to make it 100, therefore we had to make it a public Bill, and that public Bill has been introduced. The difference between 100 years and 60 years, of course, would be something enormous. I should think in one case it would be 160,000*l.* and in the other case about 72,000*l.*

Chairman.] Have you anything more to ask, Mr. Worsley Taylor?

Mr. *Worsley Taylor.*] I have one or two questions, but I am bound to say I think they are all matters which might be cleared up by Mr. Cripps when he comes.

Chairman.] Very well; who is to be the next witness?

Mr. *Worsley Taylor.*] Mr. Cripps.

Chairman.] I may state we shall not sit to-morrow, because we could not sit in any case until two o'clock. Therefore we adjourn until Friday at twelve o'clock.

[Adjourned till Friday at twelve o'clock.

Friday, 24*th May* 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. *Balfour Browne.*] In accordance with your suggestion we now proceed to call the Parliamentary agent to answer certain questions as to Clause 6 especially.

Mr. HENRY LAWRENCE CRIPPS, sworn; and Examined as follows:

Mr. *Balfour Browne.*

1387. YOU have acted professionally in reference to Parliamentary proceedings for the London County Council and their predecessors, the Metropolitan Board of Works, for some 20 years?—Yes, rather more.

1388. I think you joined the firm in 1871. At that time your firm acted as Parliamentary agents to the Metropolitan Board of Works, and I think also for the City of London?—That was so. I have acted in a general capacity as Parliamentary agent for the Metropolitan Board of Works and the London County Council up to 1894.

1389. Had you anything to do with the proceedings in the year 1880?—Yes; I was responsible for advising the Metropolitan Board of Works in 1880 with respect to the agreements which had been negotiated by Mr. Smith.

1390. Since that time I think you have had exclusive management of the work of the London County Council?—Yes, I have. Since 1892 I have been acting under a special arrangement with the London Council, in the absence of any better one, as their representative in these matters.

1391. Amongst other duties, I think, which are put upon you by resolutions, you are to represent the Council before Parliamentary Committees where the Council are promoters of a Bill in Parliament?—That is one of my present duties.

1392. Or are opponents to Bills in Parliament?—Yes.

1393. Are you familiar with the technical difficulties preventing the Metropolitan Board of Works and the County Council from dealing with the water question?—Yes, I am. We had a very long controversy, of course, with the water companies upon that point which began in 1878 and extended up to 1892.

1394. And you know that in consequence of the promotion of two Bills in 1877 and 1878 the auditors surcharged the Metropolitan Board, and

Mr. *Balfour Browne*—continued.

therefore the Metropolitan Board of Works introduced an indemnity Act in the year 1879?—Yes, that was so.

1395. I think you are responsible for advising the Metropolitan Board of Works in the year 1880?—Yes, I was.

1396. When they came to the conclusion that it was necessary to oppose Lord Cross's Bill for the promotion of Mr. Smith's provisional agreements?—Yes, we had to consider those agreements very carefully at the time, and the result was that both the Metropolitan Board of Works and the City agreed that the agreements were really inadmissible, and opposed them before the Committee, with the result which has already been to a certain extent explained to this Committee.

1397. I think the Metropolitan Board and you came to the conclusion, after a very careful inquiry, that it would be imprudent to enter into those agreements?—Yes; all the views of the Metropolitan Board of Works are very fully set out in the evidence of 1880.

1398. Since that date I think you have advised on every Bill introduced affecting London, including all the Bills of the water companies?—Yes, that is one of my duties. I have to advise and report on every Bill affecting London, and, of course, that includes all Bills which have been introduced during that period by the various water companies. Of course, the Report of the Committee of 1880 put a very different complexion upon the whole of the London water question, and when Bills were introduced by the water companies in the following year, in 1881, they had to be considered with reference to the Report and recommendations of Sir William Harcourt's Committee.

1399. I think we shall have something to say with reference to various Bills which have been introduced into Parliament since 1880, but I think that would more properly come at a later stage of your evidence. Some very important provisions have been introduced into every water

Mr. *Balfour Browne*—continued.

Bill that has been passed by Parliament since the Report of Sir William Harcourt's Committee?—Yes, every single Bill which has been introduced since, and every Act which has been passed relative to the water companies bears the marks of the results of Sir William Harcourt's inquiry. Some of those Bills have been rejected and some have been passed. Those that were rejected were rejected because it was quite clear that a purchase was ultimately in contemplation, and they were rejected in order not to interfere with that purchase, and in every one of those which were passed there are certain provisions introduced which work clearly enough the policy of Parliament in favour of an ultimate purchase or acquisition, as Sir William Harcourt calls it, of these undertakings.

1400. That is sufficient in the meantime, because I shall have to go in some detail into one or two of those Bills afterwards. I want to specially point them out; we will pass from that; one general question as to the acquisition or purchase; that was one of the points which has had to be considered very carefully since Sir William Harcourt's report; Sir William Harcourt, as the Committee are aware, indicated three processes which might be adopted; one was the introduction of an alternative supply; regulation and acquisition; and as the Committee of 1880 report, it would be the duty of the responsible municipal authority for London, whenever it was created, to consider very carefully those three processes, either of which might be adopted singly, or any two or more in combination. We, at all events, start with Sir William Harcourt's Committee, which reported in favour of one of three separate courses, competitive supply, regulation, or purchase?—Yes.

1401. Just to tell the Committee ever since that report Parliament has been treating the water companies in the way you indicate as putting serious restrictions on them with regard to capital as a tentative measure leading up to one of these three courses?—Yes, as a matter of fact, all the Acts of Parliament which have been passed have clearly indicated the acquisition of these companies rather than their regulation or the introduction of a competitive supply.

1402. Before the County Council decided upon purchase, however, did they consider the other two methods of regulation or competition suggested by Sir William Harcourt's Committee?—Yes, I think they were all very carefully considered by members of the Water Committee and by the Parliamentary Committee, and, of course, by the advisers of the Council as well.

1403. Will you explain the general considerations by which you have always advised the board in reference to these Bills on the main principle adopted?—I think I need not, perhaps, deal with the question of competitive supply, because at the present moment it is not suggested in any way.

1404. Not by these Bills?—But upon the question of regulation or control on the one hand or acquisition of the undertakings on the other, that has been very carefully considered, and I think, that at all events the conclusion which I arrive at, and I think it is the same conclusion at

Mr. *Balfour Browne*—continued.

which the committees of Council have arrived, the conclusion is this, that Parliament having so clearly indicated acquisition of these undertakings, it being so clear from the proceedings of every other municipality in the kingdom that acquisition of the water undertakings was in view, supposing we introduced a Bill for regulation or control of the companies, it would be immediately urged that that was not intended as a *bonâ fide* and ultimate settlement, but that we were applying for control or regulation in view of a subsequent purchase. If there was to be a subsequent purchase, of course no control or regulation would be necessary, and if it were to be an ultimate purchase it might be a little hard on the companies that there should have been some controlling or regulating Act passed immediately before the question of the price to be paid to them had to be determined by an arbitrator.

1405. If regulation itself had been sufficient it might have been of course, but as purchase seems to be in the air regulation going before purchase would have been complained of as crippling the companies?—I have no doubt that would have been the case, and it was thought by the Council that the case against the Control or Regulation Bill might be so strong if it was applied for in the first instance, that the only practical course was to put that on one side and proceed in the first instance by making an offer to the companies to purchase on fair and reasonable terms. Of course in going into that inquiry, I had myself very carefully to consider what took place in 1851 and 1852, and it is obvious from what the companies said themselves that they would really regard anything like an effective control or regulation as a much greater hardship to them than a purchase on fair and reasonable terms.

Mr. *Pember.*

1406. In what years did you say?—In 1851 and 1852. In that year the whole question of the London water companies was very closely under consideration, and I have no doubt Mr. Browne will have to ask me some further questions on that point at a later period. Perhaps I might defer that.

Mr. *Balfour Browne.*

1407. As a fact when the Metropolitan Board introduced a competitive supply Bill in 1878 they all complained of that loudly?—There was a most tremendous outcry about it, and, of course, not only from the companies themselves, but as there was a proposal to take water from near London, the whole of the country, in fact, was up in arms about it, and the local authorities and every body all the way round, and, as you say, there was a great disturbance about that proposition, so much so that it had to be abandoned.

1408. There are, are there not, a great many anomalies with regard to the prices charged by the companies in London which would invite regulation if there was no question of purchase?—If there was no question of purchase, I take it as quite clear that London could not have put up with this state of things so long, and certainly would

Mr. *Balfour Browne*—continued.

would not put up with it any longer. The anomalies and inconveniences of the whole system are so considerable that we should certainly have been obliged to deal with it. Of course, those are mainly matters which deal with the general question of the expediency of the transfer, and I assume in the interests of time, it is not necessary to go in any great detail into that matter.

1409. Under these circumstances you have advised, and I believe the County Council have come strongly to the conclusion that purchase is the fairest thing for the companies, and the best thing to do in the interests of the water consumers in London?—Yes; purchase on fair and equitable and reasonable terms, that is, having regard to all these various matters which, if we had proceeded for control and regulation, are matters which must have been presented to the consideration of Parliament.

Mr. *Balfour Browne.*] Would you allow my friend, Mr. Freeman, to take up the examination here. I have to speak in a Committee of the Lords.

Chairman.] Certainly.

Mr. *Freeman.*

1410. I think you have already said, in answer to my learned friend, Mr. Balfour Browne, that between the year 1880 and the present time some 20 Bills were introduced by the various water companies, all of which have been referred to you for your advice and report?—Yes; every one of them are of interest and really relevant to this matter.

1411. Has each one of those 20 Bills introduced by the companies been dealt with on the assumption that the transfer of the companies' works to a public authority was in contemplation?—To a certain extent these are obvious marks on the Acts, and there are indications given by committees, but of course, I cannot assure you that the reason why a committee rejected a particular Bill was that it had that in view, although I may have my own ideas on the subject.

1412. I did not mean to go behind the Acts in any way; but I think the Acts themselves and the proceeding in the Committee leading to the passing of those Acts have relation, have they not, to a transfer and a purchase?—They all indicate a transfer as being more or less necessary.

Mr. *Pember.*] I really think the Acts ought to speak for themselves. This is a very vague phrase; it seems to me that the Acts indicate this idea, and indicate the others. Surely the Acts speak for themselves. They do not want Mr. Cripps to explain them.

Chairman.] I think Mr. Cripps may state that generally. If you like afterwards to go further into it, of course you can.

Mr. *Pember.*] I must not be taken as making any objection, but still I should say that Acts of Parliament speak for themselves.

Chairman.] With the view to the saving of time, Mr. Cripps was asked in this form.

Mr. *Littler.*] As I think you know, the usual course is for counsel to produce Acts of Parliament and precedents in their speeches and not to call a witness to expound them. I said the other day that Mr. Cripps has a great deal of valuable facts to state to the committee, and therefore I do not very much care if he does commit a little irregularity.

Mr. *Freeman.*

1413. We will not have any irregularities. I was going to ask Mr. Cripps about these various Bills; in 1881 the East London Company introduced a Bill, did it not, for raising capital?—They did, and that Bill was opposed by the Metropolitan Board of Works and the Corporation of London.

1414. It came before a Committee of Lords presided over by Earl Cadogan, did it not?—Yes.

1415. Who struck out of the Bill everything except the clause which made good certain acts done by inadvertence?—That was assented to by the Metropolitan Board. The then solicitor to the East London seems to have once only in a very long career omitted something that he ought to have done, and it was quite agreed that something which had happened by inadvertence should be put right. That was done, but all the other powers applied for by the company of raising additional capital were struck out of the Bill?—That is the Lords Committee.

1416. When that Bill came before the Committee of the House of Commons presided over by Colonel Stanley, the clause was inserted, was it not, by that Committee in that Bill, making the company subject to the auction clauses in respect of their authorised and unissued capital?—Yes; they had already struck out of the Bill all their powers of raising new capital. There were then certain powers of raising capital which were existing and not exercised, and at the instance of the Metropolitan Board of Works that Committee introduced clauses subjecting the company to what were known as the auction clauses in respect of their previously authorised but unissued capital.

1417. Then I think on that occasion a petition was presented by the Metropolitan Board of Works?—That is so. On that occasion the sinking fund provisions, which have since been adopted, and which I have no doubt you will refer to, was suggested, I think, for the first time.

1418. I believe that was, as you say, the first occasion on which a sinking fund was suggested on behalf of the governing body of London?—Yes, it was not adopted by the Committee; it was suggested by the Metropolitan Board of Works, but the Committee have struck out all the powers for raising new capital; it could not in any way subsequently have been applied to that Act.

1419. And all the Committee then did was to insert the auction clauses?—Yes.

Mr. *Pember.*] How much capital did they ask for?

Mr. *Freeman.*] £179,440.

Mr. *Pember.*

1420. And that was struck out?—They sought powers to raise by the issue of new ordinary shares and stock, and the authorised issues of debenture stock capital amounting in the aggregate to 394,000*l.*

1421. I only want the powers that were struck out, 179,000*l.*?—If there is any question about it, I can give you the section of the Act.

1422. Do you remember what was asked for?—£179,440.

1423. What for; what was the object?

Mr. *Freeman.*] I think it was the ordinary extension of works. The recital was that the demand for water within the company's district of supply has, from the increase of population and of building, and from the construction of additional docks and other commercial working, very largely increased, and is still rapidly increasing, and it is essential they should be empowered to raise further money for the purpose of extending their works and conveniences for meeting such demand. Then there were the clauses, and the Metropolitan Board of Works presented a petition in which they referred to what had taken place the previous year in Sir William Harcourt's Committee, and suggested that having regard to the then position of the matter it was undesirable that any powers of that sort for increasing the company's capital should at the time be conferred upon them.

Chairman.

1424. Which was the company?—In 1881 it was the East London Company.

Mr. *Freeman.*

1425. I think the next thing is that in 1883 Bills were introduced by the Lambeth Company, and also by the Southwark and Vauxhall Company?—That was so.

1426. The Lambeth Company sought powers to take additional lands and to raise 375,000*l.* by 4 per cent. debenture stock?—Yes; I daresay the learned counsel will take it from me; I have examined this note before, but I will look at the Bill if they desire it. I have no doubt I am right in saying that the Lambeth Bill sought powers to take additional lands and to raise by 4 per cent. debenture stock 375,000*l.*, and that again was opposed by the Metropolitan Board, who urged the probability of the undertaking having to be acquired on behalf of the ratepayers of London.

1427. That Lambeth Bill and the Southwark and Vauxhall Bill were referred to a Committee presided over by the Chairman of this present Committee?—By the Right Hon. Chairman.

1428. Before that Committee did the Local Government Board make a report referring to not granting powers which might decrease the rights of the public?—Yes, they did. In their report they referred to the proposition which had been made on behalf of the Metropolitan Board in 1881 as to the formation of a sinking fund, and in their report they introduced a quite reasonable suggestion as to the application of that sinking fund, which did not commend itself at the time, and of course, being inconsistent with

Mr. *Freeman*—continued.

the original proposition, rather prevented that being adopted in that year.

1429. I think the Committee decided, did they not, in the following words: "The Committee, having regard to the report of the Committee on London Water Supply in 1880, are not willing to grant capital powers which might interfere with future legislation beyond what seems necessary for the daily increasing demand for water for the public, and the amount to be borrowed under this Bill must in their opinion be limited to 75,000*l.*"?—That is so; the Committee reduced the powers which the Lambeth Company sought from 375,000*l.* to 75,000*l.*

1430. Then the Southwark Company's Bill asked, did it not, for extensions of limits?—Yes.

1431. Powers for renewals of mains?—Yes.

1432. Supply of water in bulk?—Yes.

1433. Agreements between Lambeth and Southwark Companies as to supply of water in particular districts?—Yes.

1434. And a scheme of amalgamation of the two companies?—Yes; of course, that amalgamation was only part of a policy which you can only get at by looking into the earlier history of the companies, but it was a definite proposal on the part of the Lambeth and Southwark and Vauxhall Companies for amalgamation. That was most strongly opposed, and so, indeed, was the rest of the Bill.

1435. I think that Bill was opposed not only by the Metropolitan Board, but also by the local authorities of Lambeth, Wandsworth, Wimbledon, Richmond, and others?—The local authority of every district within the area of the company was up in arms upon it and opposed, and I think the company felt it could not proceed with amalgamation, and it did not actually come before the Committee, but a good deal of their Bill came before the Committee and was discussed.

1436. And I think at the end the Chairman of the Committee said that the Committee would be very glad to hear from Mr. Bidder if he wished to address them on the point of urgency?—That was so.

1437. And Mr. Bidder did address them?—He was heard with his usual eloquence. I think he indicated, as far as I recollect, his task was a little hopeless, but still he made a very good speech.

1438. And after reply from Mr. Shiress Will, the Chairman said the Committee were of opinion that the preamble of the Bill was not proved?—That was so.

Chairman.] That was on the question of urgency.

Mr. *Pember.*

1439. Yes, on the ground that there was no urgency?—Yes.

Mr. *Freeman.*

1440. In 1884 the Southwark and Vauxhall Company came again to Parliament, did they not?—They did.

1441. The Metropolitan Board again petitioned against their Bill?—Yes.

1442. And

Mr. *Freeman*—continued.

1442. And that Bill sought extension of limits?—Yes.

1443. And for powers to supply water in bulk; powers for the Lambeth and Southwark Companies to agree as to the supply of their districts?—Yes, that was so. Of course the area which the Southwark Company then sought powers to supply was altogether outside the county of London, or what was then the metropolis.

1444. I think the Committee on that Bill was presided over by Mr. Walter, and the Bill was passed, was it not, with certain provisions regarding arrangement?—Yes.

1445. Now, there was a clause inserted in that Bill, Section 24?—Yes. Section 24 was, no doubt, a very important section in these words: "In the event of a purchase of the Undertaking of the company, and the completion of such purchase within seven years after the passing of this Act, nothing in this Act contained shall extend, or be deemed or considered to extend, to authorise the company to bring into account, or to make any claim in respect of any advantages conferred upon them by the creation of a statutory title or otherwise by the passing of this Act."

1446. And that, as you say, was a very important clause?—I am dealing with the question which Mr. Browne asked, and as I understood the question, the points which have induced the London County Council to think that a procedure of this kind was a proper procedure: it was a clear indication in 1884, an indication on the face of the Act of Parliament itself that a purchase of the undertking of the company was in contemplation. There is one other section perhaps in that Act to which I ought to refer, because it was put by some of the learned counsel in cross-examination to Mr. Charles Harrison, Section 23, I do not know whether you have exactly where it was suggested, but I know it was put to Mr. Charles Harrison as an indication on the part of Parliament that it had superseded that system of competion which was then subsisting between the companies, and which, according to our contention, still subsists and ought to be recognised. The clause is in these words: "With respect to any parish (other than the parish of Lambeth), district, or place in which the company and the Lambeth Company respectively supply, the company and the Lambeth Company may enter into contracts or agreements for the purpose of determining which parts of such parishes, districts, or places aforesaid shall be thenceforward supplied by the company and the Lambeth Company." That was so put by the learned counsel to Mr. Charles Harrison, but the proviso was not put before the Committee.

Mr. *Pember*.

1447. Excuse me, but I read it carefully?—Then I thought it had not appeared, but the proviso is that: "No such contract or agreement shall in any manner interfere with, or affect, the duties or responsibilities of either company towards the consumers of water or the public, or the rights and interests of such consumers of, or as against, either company." The proviso was added to that section for the express purpose of meeting any such contingency as has now arisen,

Mr. *Pember*—continued.

that it should not in any way affect the relations between the company and the public.

Mr. *Freeman*.

1448. Just to get it clear; we had a question put to Mr. Harrison by my friend Mr. Pember, Question 451, page 77, and there the note has omitted to give the question in full, or has omitted the proviso?—I did not observe the proviso, I confess, myself. I had it not before me. I may have overlooked it if Mr. Pember says he read it.

1449. In 1885 the Kent Bill was introduced, and the Southwark and Vauxhall Bill?—Yes.

1450. The Kent Company's Bill included the proposed extension of limits, and Parliamentary powers to raise 100,000*l.*, and the Southwark and Vauxhall to raise 280,000*l.*?—Yes.

1451. Those Bills were opposed by the Metropolitan Board?—Yes; they were referred to a Committee in the House of Lords presided over by the Duke of Richmond and were very fully discussed at very great length.

1452. And I think the result of that discussion was, that the Committee inserted clauses as to issuing the debentures by tender?—The first thing was to reject the Bill introduced by the Kent Company.

1453. And the Southwark Company's Bill was proceeded?—Yes; they agreed to provide that the money should be raised by debenture stock and issued by public auction or tender. The Southwark Company's Bill ultimately met the same fate, because their Bill was opposed in the House of Commons and had to be abandoned: the whole of the opposition was based upon the one point that the passing of those Acts would interfere with the ultimate acquisition upon fair terms on behalf of the public. It was urged that these new capital powers were not immediately required, but would have the effect of rather strengthening the company's position, and giving them claims for compensation for purchase-money which at one time did not exist.

1454. Those two Bills having been rejected in 1886, Bills were introduced, were they not, by the East London, the Lambeth, and the Southwark Companies?—That was so.

1455. Those were Bills for rsising capital, were they not?—Yes, I think these Bills were confined to the raising of additional capital; at all events, it was the question of additional capital which was really considered and discussed upon this question, and the ultimate acquisition of the companies' undertakings.

1456. That was discussed, was it not, on the opposition of the Metropolitan Board?—That was ultimately so, because the companies had succeeded just previously in getting the auditor of the Metropolitan Board of Works to disallow certain expenses which the Metropolitan Board had incurred in opposing their Bills in the previous session, and the consequence was that the Corporation of London uncontrolled by any audit came, so to speak, to the rescue, and they took up the question where the Metropolitan Board had left it the year before, and fought the case before the Committee of Parliament.

1457. So that on that occasion the Metropolitan Board stood aside and the Corporation

Mr. *Freeman*—continued.

fought it out?—That was so; of course we watched them with interest and assisted them, but the actual conduct of the case before the Committee, and the argument for the sinking fund clauses by Counsel was in the hands of the Corporation of London.

1458. And the result of that was, that taking the East London Waterworks Bill, a sinking fund was introduced in an amended form after discussion by the Corporation of London ——

Mr. *Pember.*

1459. Was that in 1886?—That was in 1886. There is a very peculiar and exceptional form of legislation introduced for the first time which gave to the public of London, subject of course to the direction of Parliament, a sort of reversionary interest in the undertakings of these companies and the prospective profit which might be derived by the investment of new capital.

1460. Have you the actual clause before you?—Yes, I have; I was just looking at the members of the Committee, that was a specially constituted Committee of which Lord Claud Hamilton, was chairman. Mr. Westlake, Mr. Octavius Morgan, Mr. Morgan Howard, Mr. Murdoch, Professor Thorold Rogers, Mr. Deasy, Sir Andrew Fairbairn, and Mr. Stafford Howard were members. The fact that this great question and the effect of allowing the water companies to raise additional capital was being generally discussed in three Bills, led to the reference of these Bills to a specially constituted Committee.

1461. You had better read the clause?—This is the East London Waterworks Act, 1886. I am reading from the East London Act, but there was a similar clause introduced into other companies Acts.

Chairman.

1462. What is the number of the clause?—Section 20. As the section is obscure and deals with a difficult matter, I might shortly explain the intention of it before I read the clause. It was urged before the committees, as it had always been urged since 1880, that the companies had no right after the indications of 1880 to any prospective additions resulting from the investment of further capital in the London water undertakings; in fact, that they were, so to speak, under notice of transfer, and it would not be fair to give them that which they had no right to; any prospective interest in future profits, and so it was provided that the further money invested in the concern should be raised at a low rate of interest, and that it should be assumed to earn pound per pound the same rate of profit as the average profit earned by the whole capital of the company, and the difference, that is to say the profit, earned on the new capital should be carried to a sinking fund, which should be held on trust, so to speak, for the people of London. The clause is, "From and after the expiration of three years, from the issue from time to time of any debenture stock under the powers of this Act, there shall be carried to a sinking fund in each year such percentage on such amount of the debenture stock as shall be equal to the excess of the average

Chairman—continued.

percentage of the dividend or interest paid for that year on all the capital of the company whether share capital or borrowed above the interest including the income tax on such interest together with an additional one per centum per annum added thereto for management on such debenture stock issued, such sinking fund to be held and applied by the chamberlain of the city of London as trustee for the purpose of purchasing and extinguishing the share capital of the company or for such other purposes as Parliament may from time to time determine." I think I need not trouble the Committee by any close discussion of the terms of that clause because it has been dealt with on subsequent occasions, and now stands as the law in a modified form. The principle is the same, but as the Committee will no doubt have gathered, the terms of that clause are very complicated and the whole subject is very difficult, and there is now in force in recent Acts a modified form of sinking fund clause.

1463. But the principle remains exactly the same that was passed in 1886?—The principle remains exactly the same and the result is very important because the people of London have got a reversion, in fact, you may almost put it in that way, to the whole profit resulting from the investment in capital by these water companies since 1886.

1464. Now we will take very shortly in 1887, the Chelsea Company introduced a Bill of a domestic character, did it not?—Yes, but even that I think contained an indication of what we have been discussing, because it provided that although the Act was, as you say, of a domestic character, it conferred powers to sell certain lands, yet any profit on the resale of these lands was to be applied in purchasing and extinguishing shares or stock of the company.

1465. So that it carried even into a domestic concern the principle established by the sinking fund clause?—Yes.

1466. Then in 1888 the Grand Junction Company introduced a Bill?—That was introduced and thrown out on the second reading. That proposed to take more water from the Thames.

1467. In the same year the Kent Company passed an Act authorising them to raise 100,000*l.* share stock subject to the sinking fund and the auction clause?—Yes, that was again applied to them. That was a new company: they had not had, so to speak, their prospective profit dealt with in that way before.

1468. I think in that Bill the Kent Company agreed to insert the amendment then required, did they not?—Yes, the Metropolitan Board of Works at that time considered there was a case for some additional capital, and as the company were willing to accept the recent legislation on the subject they allowed that Act to pass without opposition.

1469. Then in 1891 the Southwark and Vauxhall Company introduced a Bill for powers to raise 300,000*l.* debenture stock?—Yes, we are here getting to the time when the London County Council had come into existence and was dealing with these matters.

1470. Did that Bill as introduced contain a clause similar to Section 20, which you have read,

Chairman—continued.

read, of the East London Waterworks Act, 1886?—Yes.

1471. Was that clause introduced into the Bill with which you are now dealing when it came before the Committee, or was it put in by the Committee?—It was introduced by the company themselves; I suppose they felt that they could not succeed without it.

Mr. *Pember.*

1472. Do not speak about our feelings. You do not know what they were?—You did not like it. I am quite sure they would have left it out if they could.

Mr. *Pember.*] We introduced it.

Mr. *Freeman.*

1473. Was a petition presented against the Bill by the London County Council?—Yes; I rather think that was the first occasion when this particular matter had to be very closely considered by the London County Council; but they took into consideration all the previous history, and they came to the conclusion that they ought to proceed on the same lines.

1474. Did the County Council then suggest by their petition that provisions should be made carrying any premiums received by sale to a common fund so to accumulate for the benefit of the ratepayers and consumers of water, with a view to any future purchase of the undertaking; that power should be reserved to the Council on behalf of the inhabitants to provide any capital necessary for the carrying on the undertaking, and to participate in respect of capital so supplied in the first profits of the undertaking?—They made a different suggestion although they adopted exactly the old policy; they thought that inasmuch as they could themselves probably provide the money for the purchase at a lower rate than the company could, and as the object was really to provide the money which was necessary at the lowest possible rate, they, the Council, thought they might be able to provide it out of their consolidated loans fund, or out of moneys found by them on more advantageous terms, than if the money were raised by debenture stock; that proposition did not commend itself to the companies, and was not adopted.

1475. Then, I think, that Bill was referred to Sir Matthew White Ridley's Committee, was it not?—It was; the Committee to whom also was referred two Bills which the Committee have already had information about for constituting either a commission or a trust for dealing with the London water question.

1476. And, I think, so far as this particular Bill was concerned, the point upon which you gave evidence, and which was a great deal before Sir Matthew White Ridley's Committee, was Section 20 of the Southwark and Vauxhall Act, 1891, as it now is?—Yes; I gave evidence before that Committee, and discussed that clause at very considerable length. I do not know that it is necessary to go into it in detail, but there were several points upon the old section which were, to a certain extent, from our point of view, open

Mr. *Freeman*—continued.

to objection, and I do not think the companies were altogether satisfied with it either.

1477. To take it shortly, after a lengthy discussion, the Sinking Fund Clause was amended on that occasion, was it, in the form in which it appears in the Act?—Yes, that was so.

1478. And the result of that was a section providing that interest should be invested, and held either for the purpose of ultimately extinguishing the capital of the company or for such other purposes as Parliament may from time to time determine?—Yes. Rather an odd thing happened over the Sinking Fund Clause. The Chamberlain of the City, who was the trustee of the fund, thought he was bound under the former Act to buy some of the company's stock with the money which he was holding as trustee of the sinking fund. Of course it was obvious that the effect of that operation would immediately have been to have diminished the nominal amount of the company's capital and have increased the rate of dividend upon the remainder; that was the point that was discussed. It was shown that that was not the intention of the clause, and I think it was generally admitted that the Chamberlain had been wrongly advised in his interpretation of it; at all events, that matter was put right in 1891; and perhaps it would be as well that I should hand in, so that it may go on the notes, the Sinking Fund Section. It is Section 20 of the Southwark and Vauxhall Water Company's Act, 1891.

The clause was handed in, and is as follows:—

"From and after the expiration of three years from the issue from time to time of any debenture stock under the powers of this Act there shall be carried to a sinking fund in each year such percentage on such amount of debenture stock, and any premiums received thereon as shall be equal to the excess of the average percentage of the dividend or interest paid for that year on all the capital of the company, whether share capital or borrowed above the interest, together with an additional 1 per centum per annum added thereto for management on such debenture stock, such sinking fund to be held and applied by the Chamberlain of the City of London as trustee for the purpose of purchasing and holding shares or stock of the company, and of investing the dividends thereon with a view to ultimately extinguishing the capital of the company, or for such other purposes as Parliament may from time to time determine."

1479. Then, I think, in 1893 there was an application by the East London Company to raise further debenture stock, which was opposed by the Council, and rejected in the House of Commons on the second reading?—That was so, on the same ground that there was no real immediate urgency for this expenditure, and that the authorisation of so large an amount of capital just at that time would complicate the question of acquiring the company's undertaking.

1480. Now we come to the last year of all. In 1894 the East London Water Company gets a Bill to raise 500,000*l.* debenture stock?—That was so.

1481. The Southwark and Vauxhall Company sought power to construct works, extend limits,

Mr. *Freeman*—continued.

take more water from the Thames, and to raise 750,000*l.* 4 per cent. debentures?—Yes, that was so; the proposal to take water from the Thames was very strongly opposed, and it had to be dropped by the company in order to secure a second reading. I think I am right in that.

1482. And the amount of capital proposed to be raised by the Vauxhall Company was reduced by the amount of money received by the company in respect of sales?—Yes.

1483. The East London Company were authorised to raise 500,000*l.* subject to the Sinking Fund Clause. The Southwark and Vauxhall Company were authorised to raise 750,000*l.* subject to a similar clause, and subject to a reduction by the amount of certain things sold. The West Middlesex Company had power to raise 500,000*l.* Probably you would not deal with the West Middlesex case now, but there was a peculiar state of things in the West Middlesex case which resulted in their being compelled to utilise for the purposes of additional works some money which they had been accumulating.

1484. A sum of 60,000*l.*?—Yes.

1485. I do not think we need go in detail into that. These three Bills were all opposed by the Council and referred to a Committee presided over by Sir Joseph Pease?—Yes.

1486. Various alterations were made at the instance of the Council, were they not, and the Sinking Fund Clauses having been considered at very great length were finally altered into their present form?—Yes, they did devote a great deal of most careful attention to a most complicated subject, and in the result the Sinking Fund Clause now stands as passed in these Acts.

1487. The principal alteration there being that the debenture stock should be raised at par, the rate of interest for that purpose being fixed by the Governor of the Bank of England?—Yes, it was to be raised at a rate of interest that was calculated to secure the issue of the capital as near par as possible.

1488. I think just to get that complete it will be desirable without reading it to put that new Sinking Fund Clause on the notes?—I will do so. I ought to point out that there was a good deal of discussion upon what was called the 1 per cent. for management. The scheme of the clause was this: that supposing, for instance, every 100*l.* of money invested in the concern on the average was earning 7 per cent., and it could be raised at 3 per cent., the company were, of course, to get the 3 per cent., and pay the interest on the debenture stock, and they were also to have 1 per cent. for management before making any contribution to the sinking fund, because it was supposed that there might be some additional cost involved in dealing with this large new capital, and therefore it was not unreasonable to allow, by way of remuneration, 1 per cent. for management, but in the section this express provision was introduced, that "in the event of the undertaking of the company being required by public authority, the allowance of 1 per cent. for management shall not be deemed to have increased the capital value of the undertaking, or be the subject of compensation or purchase." So that although that 1 per cent. probably would have yielded them

Mr. *Freeman*—continued.

a certain amount of profit, yet, in the event of the undertaking being required, it should not be the subject of compensation or purchase.

The section was put in, and is as follows:—

"From and after the expiration of three years from the issue from time to time of any debenture stock under the powers of this Act there shall be carried to a sinking fund in each year such percentage on such amount of debenture stock and any premiums received thereon as shall be equal to the excess of the average percentage of the dividend or interest paid for that year on all the capital of the company whether ordinary stock or debenture stock with any premiums received thereon above the rate of interest at which the debenture stock under this Act was issued, together with an additional one per centum per annum added thereto for management; such sinking fund to be held and applied by the Chamberlain of the City of London as trustee for the purpose of purchasing and holding stock of the company, and of investing the dividends thereon with a view to ultimately extinguishing the capital of the company, or for such other purposes as Parliament may from time to time determine. No stock so purchased and held shall confer any right of voting at any meeting of the company. Provided that in the event of any debenture stock created under this Act being issued below par the percentage to be carried to the sinking fund shall in respect of such debenture stock so issued below par be calculated on the amount of money raised by such debenture stock instead of on the nominal amount of such debenture stock.

"2. In the event of the undertaking of the company being acquired by a public authority the allowance of one per centum for management shall not be deemed to have increased the capital value of the undertaking or be the subject of compensation or purchase.

"3. As from the expiration of the current year ending the twenty-fifth day of December one thousand eight hundred and ninety-four, Section 20 of the Act of 1886 shall be read and have effect as if the amount to be paid to the sinking fund under that section at the expiration of the periods of three years from the issue of debenture stock under that Act from time to time were to be held and applied in manner provided in Sub-section (1) of this section.

"4. Whereas the Chamberlain of the City of London as trustee of the sinking fund under Section 20 of the Act of 1886, has cancelled the certificates of certain stock of the company purchased by him out of moneys paid to him by the company under that section. Therefore, notwithstanding, the cancellation of such certificates all stock so purchased by the said Chamberlain shall be deemed to be and continue subsisting stock of the company, but no dividend or interest shall be deemed to have been or to be due or payable thereon or to have accrued or to accrue in respect thereof from the time of such cancellation up to the twenty-fifth day of December, one thousand eight hundred and ninety-four, and the company are hereby empowered and required to forthwith issue to the Chamberlain of the

Mr. *Freeman*—continued.

the City of London, as such trustee as aforesaid, fresh certificates of the same stock, and shall from and after the twenty-fifth day of December, one thousand eight hundred and ninety-four, pay to the holder of such stock the dividend on interest to accrue on such stock as from such twenty-fifth day of December, one thousand eight hundred and ninety-four, and the Chamberlain shall hold and apply such stock and interest as provided by Section 20 of the Act of 1886, as amended by this Act."

1489. Now I think that brings up to date, does it not, the transactions which you are referred to which you are about to quote to the Committee to show how far questions of purchase during recent years have come up in these Bills?—Yes, I have referred to those Acts, because I think they clearly show that the London County Council must, in the first instance, have had regard to all those indications, and introduced a Bill for acquiring these undertakings rather than attempting to control or regulate them.

1490. Unless you have anything more you wish to say on that point, I am going to pass to another matter. I now want to ask you some questions about Clause 6, as it appears in the Bill now before the Committee?—You are taking Clause 6 of the Lambeth Bill?

1491. Yes; Clause 6 of the Lambeth Bill. The most convenient way will be to ask you questions relating to the various heads, and so far as they come within your department you will give us your information about them?—Yes; there are no numbers, by the way, to these paragraphs, and, perhaps, for convenience of reference it will be as well if I just number them in the order in which they stand.

1492. I think as regards each of these various heads you propose to consider two points, do you not; first, to consider whether each matter should fairly and reasonably be taken into account; and, secondly, whether special directions in order that that may be done are necessary?—I take it that that is what we shall have to convince the Committee of. There are two propositions with regard to every one of these heads: first, that the matter referred to is an element which ought fairly and reasonably to be taken into consideration in determining the price; and, secondly, that in the absence of some clauses of this kind, or some express power or direction given to the arbitrator, probably at all events, the matter might not be taken into consideration by him.

Chairman.

1493. You say, probably at all events, the matter might not be taken into consideration?—Yes.

Mr. *Freeman.*

1494. Now take Clause 6: "The consideration to be paid by the Council for the transfer of the undertaking, if determined by arbitration, shall be such sum of money as the arbitrators determine to be the fair and reasonable value of the undertaking, after allowing for the liability involved in regard to the debenture stock, and having regard to all the circumstances of the case. In determining the fair and reasonable

Mr. *Freeman*—continued.

value of the undertaking the arbitrators shall amongst other matters have regard to the following, that is to say." Now let me pause there for one moment. In so far as this clause is intended to be drawn and applied, is it a direction to the arbitrators that they must make allowance, or allow a sum in respect of those things, or only that they should consider them? I take it that the clause means, as Mr. Charles Harrison explained it yesterday, to mean that the arbitrator shall have regard to them.

1495. Not by any means a direction?

Mr. *Littler.*] I do not mind your asking Mr. Cripps what his intention is, but I object to his construing the clause. We can do that. I entirely differ from the construction. If you say what is the intention of the promoters, then the Committee will judge whether they carry it out when I come to what I have to say upon it. You say you do not intend to do so. We say you do intend. You are asking him what the clause is, but that is a very different thing. I am sure you will agree with me that there is a very great difference between what they intend to do and the actual construction of the clause, which is a matter for the Committee to judge for themselves.

Chairman.] Yes, certainly, but I do not see that there is any objection. It is quite plain that Mr. Cripps may say what his intention was, and I see no objection to his saying he believes that intention is carried out by the clause.

Mr. *Littler.*] I am fully content that Mr. Cripps should say what his clients intend to do, and they think this does it; but for Mr. Cripps to say it does carry it out is going far beyond what is evidence.

Witness.] I should not venture to say that. I know sometimes clauses do not carry out the intention of the parties, but the intention, I think, is quite clear; that we wish the arbitrators to have regard to certain matters. When he has had regard to them, if he thinks they are not worth anything, I suppose he will not attach any importance to them, but if, having regard to them, he feels that effect ought to have been given to them, then no doubt, it is intended that he should give effect to them.

Mr. *Freeman.*

1496. Now, after that general explanation of the intention of the clause, I will ask you as to the first paragraph of it: "The condition and state of repair of the reservoirs, filter beds, filtration arrangements, wells, mains, conduits, pipes, machinery and plant of the Lambeth Company, and the probability of future expenditure thereon, together with any liabilities or obligations in connection with their undertaking which the Lambeth Company may reasonably be required or expected to incur." First of all, on the question whether that is a fair matter for consideration?—Yes, I think it is.

1497. As regards the great part of that clause, I presume the evidence will be given by the engineer in support of it?—No doubt; really in a great measure that clause depends on facts which

Mr. *Freeman*—continued.

must be proved to the Committee by engineering evidence.

1498. In your opinion have certain passages of the Report of the Royal Commission a distinct relation to that clause?—Yes; might I just say here that of course it is not as if I take it we had to establish the facts which are suggested in this paragraph.

Chairman.

1499. Do you mean to establish before this Committee, or before the arbitrator?—Before yourselves. We shall have, I take it, to show that the state of things in regard to matters referred to in paragraph 1 are such that the matter ought to be fairly and reasonably taken into account by the arbitrator.

Mr. *Freeman.*

1500. Do you find that matter referred to in paragraph 178 of the Report of the Royal Commission?—Yes; not merely is it referred to in paragraph 178 of the Report of the Royal Commission and one or two others as, in my opinion, alone, apart from engineering evidence, justifying the proposition that it is fair and reasonable that the arbitrator should have regard to particular matters which are referred to in paragraph 1 of Clause 6, which you have now read. Of course, it commences with the words which the water companies have often mentioned, which of course are important: "We are strongly of opinion that the water, as supplied to the consumer in London, is of a very high standard of excellence and of purity, and that it is suitable in quality for all household purposes. We are well aware that a certain prejudice exists against the use of drinking water derived from the Thames and the Lea, because these rivers are liable to pollution, however perfect the subsequent purification, either by natural or artificial means may be; but having regard to the experience of London during the last 30 years, and to the evidence given to us on the subject, we do not believe that any danger exists of the spread of disease by the use of this water, provided that there is adequate storage, and that the water is efficiently filtered before delivery to the consumers." Now I suggest that that finding on the part of the Royal Commission makes it clear that it is fair and reasonable to consider whether there is efficient storage, and whether the water is efficiently filtered before delivery. I refer to the subsequent portion of the Report.

1501. First of all you have to consider paragraph 172 of the Report?—If you take paragraph 172 you will understand I am only reading out of that the words which I think important to establish my own contention: "There can be no possible doubt that at the present time much filth of various kinds is discharged unnecessarily and illegally into the rivers, and steps should be forthwith taken to put an end to this."

1502. I think there are certain words as to the sewage works in the valleys of the Thames and Lea, "Where such works have been constructed on an efficient system, the sewage can be so effectually dealt with at all times except those at flood, that the effluents are clear and innocuous"?

Mr. *Freeman*—continued.

—Yes, that is so; the last paragraph at the foot of page 69: "Some advances have, however, been made during the past 25 years in the construction of sewage works in the valleys of the Thames and Lea. Where such works have been constructed on an efficient system, the sewage can be so effectually dealt with at all times, except those of flood, that the effluents are clear and innocuous. We understand that in some of the places which still require sewage farms, or works for the efficient treatment of sewage, operations are already in progress for providing them; and we are of opinion that in the rest steps for the attainment of the same object should be taken without delay. We are aware that all sewage farms and sewage works are liable through carelessness or accident to do their work at times with less than proper efficiency. For the purpose of keeping them up to a sufficient standard, frequent inspection by an authority appointed for the purpose is, in our opinion, absolutely necessary."

1503. Now, in relation to that matter, do you also attribute importance to that part of the Royal Commission Report which deals with the suggestions for further storage schemes?—Yes, I think that is very relevant to this matter; I am referring to paragraph 176 of the Report. I mentioned these, of course, because they have all been considered word by word, I may say, by Committees of the Council, who have been dealing with this matter, and of course the Council has been desirous of really interpreting this report properly and give effect to it. They say, "We have further to consider what steps should be taken to ensure the proper treatment of the water that is taken from these rivers for the supply of London. For the water that flows down to the intakes must be subjected to certain important processes before it is brought into a suitable condition for delivery and consumption. These processes consist of subsidence and filtration, and the quality of the water when delivered depends largely upon the thoroughness with which they are carried out. It does not come within the terms of our reference to lay down what should be the exact regulations as regards filtration; that is to say, what should be the proportionate area of the filtering beds, the depth of sand, the frequency of renewal, or the rate at which the water should be allowed to percolate; nor, as regards the subsidence tanks, how many days' storage should be deemed sufficient so as to obviate the necessity of taking in turbid storm water, and to allow of due settlement; but we cannot shut our eyes to the fact that the provision for these purposes differs enormously in the different companies, and in some of them is to our mind quite inadequate." I apply those last words directly to the two companies with which we are now dealing.

1504. You mean upon published figures of the storage and the reservoirs they have?—Upon the facts here put before the Royal Commission, I would of course like that the engineer should deal with those matters; I have no doubt he will justify those propositions, if it is necessary to justify them, of the Royal Commission, but I only desired at the outset to refer to those remarks

Mr. *Freeman*—continued.

remarks of the Royal Commission in the Report as indicating the particular matters which ought to be taken into consideration. There is only one other point I would deal with apart from the engineering evidence, as justifying, in my opinion, this paragraph 1; or rather, I may perhaps take paragraphs 1, 3, and 4 together, because those are clearly matters for the engineer to deal with. Paragraph 1 begins:—"The condition and state of repair."

1505. I think it would be more convenient if you could keep to paragraph 1 at present. You were going to say there was one other matter, as regards paragraph 1, which you desired to mention justifying your opinion?—Take, for instance, the condition of mains, which is a matter which the Council have had under their consideration when the Bill was drafted. Of course we have had, since this Bill was drafted, an absolute and complete breakdown of the whole distribution system within the area of these two companies, and I take it that this is an element which in some way or other the arbitrator ought to consider. The facts may be given later; but I think that, approximately, I am not far out when I say that in a considerable proportion of these two companies' districts, two-thirds of the houses supplied have been left without water for at least a month.

1506. Now, in addition to the evidence which will be given us on these matters by the engineer, you have now stated certain general considerations which were in your mind and in the mind of the Committee in drafting this paragraph 1 of the clause?—Yes; it is quite obvious that if these undertakings are transferred to the London County Council it will be absolutely impossible for them to have the mains and distributive arrangements in a position which would render it possible that there should be a repetition of the breakdown of this last winter.

1507. I think that deals with the first question of that clause. Now I want to ask you another one. Assuming it is desirable that that matter should be taken into consideration by the arbitrator, in your opinion is a special direction, such as is given in this clause, necessary to get it before him?—I think so myself. Do you wish me to explain my view on that point?

1508. Yes, if you will?—Take the two points which we have now been referring to, the indication in the Report of the Royal Commission that there must be large additional expenditure in storage and filtration, and perhaps I ought also to have referred to the fact that the Royal Commission, although they do not recommend any particular scheme, indicate that there must be some considerable alteration as regards the future. They have referred to a certain scheme of Staines reservoirs, which the engineer will deal with more fully; but there is an indication on the face of the Report of the Royal Commission that something must be done. The London County Council are considering, of course, what, in their opinion, is the best way of meeting that. The Royal Commission suggests this large scheme of the Staines reservoirs. Supposing we were to put before the arbitrator a claim to have considered, by way of reduction of the purchase-money, either the probable obligation to make these new storage or filtration works, or the probable obligation to relay the mains throughout the district and re-connect the pipes with the consumers' houses; suppose we were to put that before the arbitrator, it seems to me the companies might fairly answer that they did not care for the Royal Commission. It must be borne in mind that in this transfer they will have no object whatever except to get for their undertakings the largest possible price. They have no future interest in the supply to consumers; they have no future obligations with regard to the supply of the consumers; nothing whatever to do with them, and they might very fairly say we disagree with the Royal Commission, we do not admit that the Royal Commission is right; and if they were we do not mean to comply with their report, we do not mean to make any of these works. Of course, the more they say that the more they would increase their claim for compensation because, supposing in order to provide these new storage or filtration works, it is necessary for them to sink more capital, the interest upon that capital would be a charge upon their revenue before the net income available for dividend could be arrived at. They may very fairly say we do not mean to incur the expense which will result in putting that charge upon our revenue; therefore we must be compensated upon the basis of the revenue which we can show we derived last year, and have derived in the past, and without reference to any such obligations as are indicated by the Report of the Royal Commission, or such obligations as the evidence which the engineer will give, may satisfy the Committee, ought fairly and reasonably to be considered.

1509. I think this matter was very carefully considered, not only by yourself, but by the Parliamentary Committee, was it not?—It was so, because Mr. Charles Harrison gave assistance on the subject, and Mr. Charles Harrison is known as a great authority on these matters.

Mr. *Littler.*

1510. We can deal with what the witness in the box knows, but not what Committees outside have done?—No doubt, the constitution of the present Parliamentary Committee of the Council is known, we have very valuable authorities upon that Committee, and, to the best of their abilities, they considered this matter carefully.

Mr. *Littler.*] We have nothing to do with the ability or opinions of the Parliamentary Committee; we know that the County Council has directed that this Bill shall come here, and they must present it by witnesses in the usual way.

Chairman.] I think Mr. Cripps is explaining to us why these conditions were put in, and I think it is fair for him to refer to the Parliamentary Committee, on whose advice, as I understand, they were put in.

Mr. *Littler.*] I have no objection whatever to his saying the Parliamentary Committee are unanimous, or not unanimous; but, if he is going to comment on the ability of these gentlemen, I would rather have them here to cross-examine.

Chairman.] He may tell us who the gentlemen are.

Mr. *Freeman.*

1511. Will you kindly furnish to the Committee the names of the gentlemen who form the Parliamentary Committee?—Mr. R. M. Beachcroft, Mr. Beresford Hope, Mr. Edward Boulnois, a Member of this House; Mr. John Burns, a Member of this House; Earl Cadogan, Lord Carrington, Mr. Cohen, a Member of this House; Mr. Cornwall, Mr. Costelloe, the Earl of Dudley, the Earl of Dunraven, Mr. Fardell, a Member of this House; Lord Farrer—and I pause there to say that Lord Farrer has exceptional means of dealing with all these points.

Mr. *Littler.*] They did not prepare this Bill.

Mr. *Freeman.*] That is exactly what they did.

Witness.] If you would refer to the Report of Lord Farrer, which is already on the notes——

Mr. *Littler.*] I accept the fact that they have made a Report, but why are we to discuss the exceptional merits of these gentlemen? I should like to see Lord Farrer here.

Chairman.] I have asked the witness to give me these names?

Mr. *Littler.*] This is last year's Parliamentary Committee; not this one.

Chairman.

1512. Is this the present or the old Committee?—The present Committee.

Mr. *Littler.*] This Bill was drafted by an entirely different Parliamentary Committee.

Mr. *Freeman.*] Your are very inaccurate. This clause has been before the Parliamentary Committee and very carefully considered by them. This is the Committee responsible for bringing in the Bill now before your Committee in the present form, and, in answer to the question which you asked, Mr. Cripps is giving the names. I do not understand why he should be interrupted.

Chairman.

1513. Have you finished the list?—No. Mr. Harris, Mr. Charles Harrison, the Hon. Lionel Holland, Colonel Hughes, a member of this House, Sir John Hutton, Sir John Lubbock, Sir John Maple, Captain Middleton, Lord Monkswell, the Duke of Norfolk, Earl of Onslow, Mr. Pearce, Mr. Radford, Earl Russell, Mr. James Stuart, Mr. Thompson, Lord Tweedmouth, Colonel Howard Vincent, Mr. Sydney Webb, Lord Welby, Mr. Westacott, Mr. Whitmore, and Mr. Mackinnon Wood. Then the Water Committee, who have also considered this matter jointly with the others, are Mr. Bond, Mr. Henry Clark, Mr. Costelloe, the Earl of Dudley, the Earl of Dunraven, Mr. Idris, Sir John Lubbock, Mr. McDougall, Major Probyn, Mr. James Stuart, Mr. Torr, Mr. Ward, Lord Welby, and Mr. Westacott.

Mr. *Littler.*] You ought to say they were not unanimous. We know what one of the gentlemen of that Committee advised the House.

Mr. *Freeman.*

1514. I daresay you can tell us one more fact. I think, if you compare that list of the Parliamentary Committee, you find that 25 members were on the previous Council?—That is so. Twenty-five of them were on the former Council.

Chairman.

1515. I understand this Committee whose names you have now read out to us have adopted the conclusions arrived at by the former Committee. Is that what you mean to convey, or are these the Committee who originated the Bill?—It was the former Committee who originated the Bill. Then the Bill was of course deposited in December. Then came the London County Council election, where there was a good deal of talk of various kinds and a considerable number of new members joined the Council, and the Parliamentary Committee was very largely reinforced, because several members of both Houses of Parliament joined the Council, and they became the Parliamentary Committee. Of course they were anxious to know what the position was with regard to these Bills, and it became my duty to report the Bills to them. The Parliamentary Committee met every week, and every week the progress of these Bills is reported to them and instructions given as to the manner in which the business shall be conducted.

1516. Then of course, this Committee having considered the Bill, reported it to the Council, and it was agreed to by the Council?—I do not think technically this Committee reported the Bill to the Council. In order to test the feeling of the Council, as Mr. Charles Harrison stated yesterday, a resolution was moved in the Council itself to the effect that these two Bills should be pressed forward by themselves with all practical despatch, and I think what took place on that is already in the notes of Mr. Charles Harrison's evidence.

1517. You had better tell us the effect?—What was done was this, that Sir John Lubbock moved as an amendment a proposal to proceed with these two Bills.

1518. What is the date?—This is the 9th of April this year; Sir John Lubbock moved an amendment: "That before the Council presses forward the water Bills now before Parliament, the Finance Committee be instructed to report to the Council as to the probable effect upon the right of the purchase of water companies in manner proposed in the Bills now before Parliament, having regard to the Resolution of the Council with reference to the necessity for additional sources of supply, and on the basis of repayment in a maximum period of 60 years." I think I shall be quite right in explaining that to the Committee, because I am very clearly aware of Sir John Lubbock's views on the matter in this way. There was a suggestion that if the Bills went forward in their present form the London County Council, and of course through them the ratepayers of London might be saddled, first of all with the cost of acquiring these undertakings as if they were efficient and complete, and, in addition, with the cost of making them complete,

Chairman—continued.

complete, even if it were necessary, making all these storage and filter beds.

1519. You had better not go on with that. That is Sir John Lubbock's view. Will you tell us what was the result of the resolution proposed?—The result of that resolution which the Committee will see was not a resolution adverse to the Bills, but as to postponement for a further report was for the amendment, 49, and against, 67.

Mr. *Freeman.*

1520. Have you actually read the resolution?—That was the amendment. The original resolution was this: "That in the opinion of the Council it is desirable that the Parliamentary Committee should press forward in Parliament the London County Council Bills for the purchase of the Lambeth and Southwark and Vauxhall Companies, with all possible speed." When that original motion was put to the vote the Council divided, when there were for the motion 66, and against the motion 30.

Mr. *Littler.*

1521. The total number of the whole Council being 137?—I am told it is 138.

Mr. *Freeman.*

1522. That, of course, includes the aldermen?—Yes.

1523. Then, of course, on that the Bills were referred to the Parliamentary Committee, and the Parliamentary Committee then had, of course, to consider the Bills and decide what should be done with them, and how they should be proceeded with, and they came to an unanimous resolution on the subject. Of course it must not be understood that I put that too highly, or that any of us would, because the Parliamentary Committee is a very representative body, and it includes Mr. Boulnois, who has always regarded himself as representative of the water companies than in any other capacity. Mr. Boulnois did not take part, I think, in the discussion of the Bill itself, when the Members of the Parliamentary Committee who were present unanimously resolved as to the course to be adopted with regard to that.

1524. I think if you have nothing further on that point we will pass, if you please, to the next paragraph which deals with the legal powers of the Lambeth Company to the take water, and the probability of such powers being limited.

Mr. *Stanhope.*

1525. I will ask Mr. Cripps this: When this Committee or new Parliamentary Committee of the London County Council was formed, you say it had that resolution of the full Council to proceed with these Bills placed before them. Was there at that time any suggestion made of a modification to be introduced into the Bills in consequence of the change of Committee, that is to say, were any modifications proposed with regard to Clause 6?—I do not recollect that was so. A modification was proposed which was suggested at that time by one of the Members of the Committee that a clause should be introduced into these Bills that they should not be operative

Mr. *Stanhope*—continued.

until the six other Bills had been dealt with. That is the point the Committee are familiar with; it was discussed at a considerable length. The difficulties which would result from any such clause were pointed out, and of course they are extremely obvious, and after the whole matter had been talked of and discussed at very considerable length, the noble Lord who proposed that amendment withdrew it.

Chairman.

1526. Who was that?—Lord Onslow, and on that the Committee unanimously instructed me as to the course to be taken with regard to these Bills.

Mr. *Stanhope.*

1527. No modification was suggested with regard to the peculiar mode (for it is a new mode of proceeding) in which this arbitration is to be proceeded with. No modification in Clause 6 was suggested by the reorganised Committee?—I do not at the moment recollect any single suggestion for a limitation of the clause being made, but I will take care that the Committee shall be informed on that point. At the moment I am not certain whether any definite suggestion for the amendment of this clause ever was made.

Sir *Stafford Northcote.*

1527A. There is one point I am not quite clear about, did the present Parliamentary Committee have these Bills under their consideration prior to the division of the whole Council on Sir John Lubbock's motion. My point is this: did the present Parliamentary Committee sanction the proceeding with the Bills in their present shape prior to the division to which you have referred on Sir John Lubbock's motion?—The continuous debate upon these Bills which I think extended over two meetings, and which ultimately resulted in unanimous instructions being given to me, I think was subsequent to the discussion of the matter by the Council. Of course before that date the Bills themselves had been before the Members of the Parliamentary Committee every day they met between the date of the new Elections and this discussion in the Council.

Mr. *Freeman.*

1528. There is one matter before we leave that first paragraph. You see the concluding words of it "with any liabilities or obligations in connection with their undertaking which the Lambeth Company may reasonably be required or expected to incur"?—Yes.

1529. In your opinion is that a matter which would distinctly require some special relegation to an arbitrator if it was to be considered?—I think so, because the companies would certainly contend it does not matter what anybody requires or expects us to incur unless we are placed under Parliamentary obligation. We have been placed under no Parliamentary obligation, and we do not intend to be, and we never could be, and therefore that matter cannot be considered by an arbitrator. I should, perhaps, in reference to what the learned counsel has said, say that the Council have certainly not depended upon their own opinion on this matter. I mean they have

 been

Mr. *Freeman*—continued.

been carefully advised by some of Mr. Littler's own colleagues who are very high authorities on arbitration questions, and it was on the advice of counsel, of course, that the form of this Bill was ultimately settled.

Mr. *Pember.*

1530. Will you say who the counsel was?—If it is necessary both Mr. Balfour Browne, Mr. Worsley Taylor, and Mr. Freeman have advised us upon this point. Mr. Freeman devoted a great deal of careful attention to the matter in its early stages; Mr. Balfour Browne and Mr. Worsley Taylor at subsequent periods.

Chairman.

1531. Was that advice given before or after the Bill was drawn?—Before the Bill was drawn.

Mr. *Freeman.*

1532. I certainly can answer that as regards one person?—I know the form of this clause began to be considered by the London County Council as long ago as last July, that I can answer, and was very much considered by members of the Water Committee, being advised by Mr. Freeman from time to time.

Chairman.

1533. Was any case submitted to counsel for their opinion in the usual form?—I think, sir, they were all conversational discussions between Mr. Freeman and myself, subject to this that I know the Members of the Parliamentary Committee on more than one occasion in order that they might all have the advantage of discussing this matter with a high authority, asked Mr. Freeman to attend at Spring Gardens for the purpose.

1534. Were the other gentlemen you have referred to consulted in the form of a case for opinion submitted to them?—No, I do not think that either Mr. Balfour Browne or Mr. Worsley Taylor were. Mr. Worsley Taylor was consulted as to the form of this clause before the Bill was settled; indeed I know I had the advantage of several consultations with him.

1535. But not in the form, as I understand of a case submitted for opinion?—No.

1536. Was Mr. Balfour Browne also consulted in the same way?—Mr. Balfour Browne was not at the time consulted about this Bill, not until a much later period, when he was asked to undertake the advocacy of it.

1537. After it had been drawn?—After it had been drawn.

Mr. *Pember.*

1538. Are you quite sure about Mr. Worsley Taylor?—If you have any doubt I will refresh my memory.

1539. I wish you would——

Mr. *Littler.*

1540. Mr. Balfour Browne was counsel for the Lambeth Company until a recent date?—I can answer that question about Mr. Worsley Taylor. I can recollect perfectly well Mr. Worsley Taylor advised me about it and discussed the matter with me antecedently to the actual deposit of the Bill.

Chairman.

1541. But after it was drawn?—Yes. Of course in the first instance I have to draft a Bill of this sort in outline and then I obtain the assistance of counsel with respect to difficult points upon it.

1542. Was it submitted to them for approval as a professional act on their part?—It was submitted to them for them to exercise the whole of their ability and ingenuity upon. The original draft has been very largely modified, of course it is a very difficult matter to draft a clause of this sort.

1543. The only reason I asked you the question about that is that you relied to a certain extent upon the advice of counsel for the peculiar form in which this clause is drawn?—Yes.

1544. Of course it is of some importance for us to know exactly to what extent and in what form and on what responsibility such advice was given by the counsel whom you consulted?—Of course I feel that this is a matter rather of argument for the learned counsel, and I suppose they will have to justify their advice in argument.

1545. You, I think, were mentioned by Mr. Harrison as the gentleman who would give us information upon this subject when you came, and I suppose no one would know better than yourself, who instructed counsel, under what circumstances their opinion was taken?—Well, sir, of course I ought to know exactly, but with the large number of Bills to deal with I do not exactly recollect what took place. I have no doubt that when this matter was first considered, I consulted Mr. Freeman on the subject generally as to the necessity for a clause of this kind, and how the matter ought to be dealt with. I then put the clause into some sort of form. I then consulted the members of the Water Committee of the Council on the subject. They considered the matter very fully and carefully at intervals. We again availed ourselves of Mr. Freeman's advice in deciding how far these particular matters should be introduced into the clause, how far they were necessary, and I have no doubt that there were a very large number of additions to the draft from time to time; and in the ordinary course of business, I should have seen Mr. Freeman on the matter and discussed the thing with him. I do not recollect, and I think it probably would not be the case, that there was any other case submitted to him in the sense of a written case for his opinion.

1546. Or to the other gentlemen?—Or to the other gentlemen.

Mr. *Pember.*

1547. We do not quite gather at this side of the table whether there was any case submitted to anybody about this clause in writing?—I do not think so. I may say if the Committee wish further information on that point or the learned counsel asked me any further questions, I would rather take time to look up again exactly what did take place, because I was hardly prepared for that particular question. I am speaking from recollection, of course, without reference to what has actually taken place.

Mr.

Mr. *Pember.*] Subject to any further explanation on the part of Mr. Cripps we may take it there was no case in writing submitted to any counsel in regard to this clause.

Chairman.] So I understand.

Witness.] No such case would have been submitted except by myself, and at the moment I do not recollect ever having submitted one.

Mr. *Freeman.*

1548. Now we pass to the next section of this clause: "The legal powers of the Lambeth Company to take water and the probability of such powers being limited"; the powers of taking water as regards the Thames of course exist under certain acts and certain agreements?—Yes, that is so.

1549. Will you just explain, having regard to the action of certain of the counties and other bodies, what is the exact meaning of the words of Sub-section 2?—First of all, you will observe the sub-section is divided into two parts; there are first the legal powers of the Lambeth Company to take water, and then the probability of such powers being limited. Without going into any legal question, there is considerable doubt as to what are the powers of the Lambeth Company to take water out of the Thames. By their Act of 1871 a certain agreement between themselves and the Thames Conservancy was confirmed, or, rather, I think, the agreement was one between the Lambeth Company and the Corporation of London, at the time when they were conservators of the River Thames, and before the present Thames Conservancy Board was established. That agreement, as confirmed by that Act, provides that they shall not take out of the Thames more than 20,000,000 gallons of water in any day. I think I have given the figures right. By a subsequent arrangement between the Lambeth Company and the Thames Conservancy, the Thames Conservancy in consideration of a promise of the Lambeth Company to pay a certain sum per annum acquiesced; indeed, I think they entered into an agreement with the Lambeth Company that that figure of 20,000,000 gallons should be increased from 20,000,000 gallons to 24,500,000 gallons. The Thames Conservancy in 1878 introduced a Bill into Parliament, and whilst it was pending, an attempt was made to introduce into it clauses which would have empowered the Thames Conservancy to allow the water companies to take out of the Thames a larger quantity of water than that to which the companies were limited, but the Bill came before Sir Hussey Vivian's Committee, and Sir Hussey Vivian declined, in the absence of evidence, that it could properly be done to introduce a clause which the Thames Conservancy Board and the company asked to have introduced. Subsequently to that clause having been refused by Parliament empowering the agreements to be made, the Thames Conservancy and the companies came to an agreement, and it is a very open question whether in those circumstances that agreement is one upon which the Lambeth Company can or would rely, and whether it is one upon which the London County Council could rely if they bought the Lambeth Company's undertaking. This is a matter obviously of extreme importance, because the Lambeth Company are already approaching, I think, the limit of the 20,000,000 gallons which they are empowered under the first Act to take. It is a matter of the greatest possible importance in reference to the acquisition of this undertaking, whether or not that subsequent agreement is or is not legal. There are, of course, a great many complicated questions of law connected with that matter into which I do not suppose the learned counsel will wish me to go, but there is a strong *bonâ fide* doubt as to the legal position of the Lambeth Company in the matter.

Mr. *Freeman*—continued.

1550. I think you have now enumerated, have you not, all the powers under which the Lambeth Company either take or claim to take water from the Thames?—No, I have not quite all, because it appeared before the Royal Commission that the Lambeth Company were claiming to take in addition to that 20,000,000, some water which they said they pumped, indeed, which they do pump. The soil in the neighbourhood of their works is of gravel and porous, and they have, I believe, although the engineer will be able to explain this better than I can, an arrangement under which they have, in close proximity to the River Thames, but on their side of the bank, a tunnel in the gravel, out of which they pump water. They claim to have a legal right to do that, because they are landowners, and every landowner can do what he likes with the water under his land; but the Royal Commission clearly indicated their opinion that this water must be either water intercepted on its way to the Thames, or water abstracted from the Thames; and, therefore, that it ought to be reckoned within the limits of 20,000,000 gallons to which the Lambeth Company are restricted. The Southwark case, to take that at the same time, is even more important, because the Southwark Company are under somewhat different statutory powers, but there the contention is on the one side that they are limited to 20,000,000 gallons a day, and the contention on the other side is that they may take 24,500,000 gallons. The fact is, as I think the engineer will explain, that they are not only taking 24½ million gallons, but very often a great deal more. Now it is obvious that in the Southwark case the matter is of most extreme importance, because if their legal power to take water is what we suggest it is, they are existing at the present moment simply upon selling to the consumers water which does not belong to them, and which they are not entitled to take at all; and the whole of that question is one of great importance, because on that depends the question whether the Southwark Company are, or are not, able to fulfil their obligations as regards their present district.

1551. I think both those cases of Lambeth and Southwark are dealt with by the Royal Commission in paragraphs 90 and 91 of their Report?—If that is so, perhaps you would let Mr. Binnie deal with it.

1552. That is so; I will not take up time by reading

Mr. *Freeman*—continued.

reading it; now that deals with powers claimed by the Lambeth Company of taking water?—And of the Southwark Company.

1553. Now will you direct your mind to the second part of the clause, the probability of such powers being limited; in the first place you will recollect that last year the Thames Conservancy had a Bill for re-organising the Conservancy?—Yes, they were required, under an enactment which was obtained by the London County Council, to introduce a Bill into Parliament for the general re-constitution of their body and their powers.

1554. Under that Bill did the question of water taken from the Thames by the water companies incidentally arise?—Yes.

1555. Were certain limitations put by that Bill on the water companies?—The Bill, as it was introduced, was put forward as a consolidation Bill, but we found that in so far as it related to this matter, the Bill was not a consolidation Bill, but proposed to legalise these disputed agreements; in fact, to confer the power which the Conservancy Board had asked for in 1878, and Parliament had refused. Steps were taken before the second reading of the Bill to deal with the matter, because the London County Council refused to allow the Bill to proceed, if it were going to give any further powers of abstracting water from the Thames than then existed. They regarded the Thames Conservancy Board as a body to preserve and maintain the water of the Thames as in fact had been specially provided under the previously existing Thames Conservancy Acts.

1556. And the result was that, to that Thames Conservancy Act, a schedule was put restricting the powers of the water companies?—I think so, but perhaps the Committee would allow me to refer to see whether I am right in what I say.

1557. There was an instruction from the House, and then the general clause was put in that Act, and the particular schedule which was put in the Bill was struck out.

Mr. *Pember.*

1558. The schedule which limited the number of gallons to be taken was struck out?—We opposed, on behalf of the London County Council, the Bill altogether. There would have been a discussion in the House, I believe I am right about this, on the second reading. I am not quite sure that I am not mixing it up with the Southwark and Vauxhall Bills, but at all events, I think on the Thames Conservancy Bill we agreed to a form of instruction which was moved and adopted by the House. That instruction was to the effect that the Committee on the Bill should, perhaps I had better not repeat it, it was generally to the effect that no more water should be taken out of the Thames.

Mr. *Pember.*] I happen to remember what it was: perhaps you will not mind my saying the instruction was absolutely to this effect; that nothing contained in the Act should authorise the taking of any further quantity of water from the River Thames.

Mr. *Freeman.*

1559. That is perfectly accurate?—Yes, I think that was it. I know I had a long discussion with the chairman of the Committee on the subject.

1560. As the Bill was introduced there was a schedule showing certain quantities of water, including what they shall be entitled to under agreements; that was struck out and a general clause was put into the Bill that nothing was to give them further powers than they then had?—Yes; the section was this: "Subject to the provisions of this Act contained in the section whereof the marginal note is 'power of intake by metropolitan water companies,'" and so on, "the companies shall not, unless and until authorised so to do by Parliament, take a quantity of water from the Thames in any day of 24 hours, calculated from midnight to midnight, greater than the quantity which such company might have lawfully taken in any such day on or before the 5th day of April 1894." That was the section which was introduced into this Act in consequence of the instruction; and after a great deal of discussion to make it clear that this Thames Conservancy Act of 1894 did not authorise the abstraction from the Thames of any greater quantity of water than the companies might have lawfully taken before the 5th April 1894.

1561. In respect of these very Bills for dealing with the water question, have petitions been presented by the county councils and various authorities?—Yes.

1562. Do you find in several of those which I will just put to you in a moment allegations that no further water should be taken out of the respective districts of those authorities?—Yes, that is so. I think I might just explain, if Mr. Binnie would kindly point out the Hertfordshire district, the water supplied by the New River Company is taken from that area coloured blue, by Hoddesdon; and the gentleman who is pointing to the map will indicate where the New River water is taken from. There was a great question before the Royal Commission as to what is the effect upon Hertfordshire at the present of the appropriation of the water which the New River Company is supplying to London. That is, of course, a very complicated and large subject; but it is obvious that, at all events, there is a very strong feeling in Hertfordshire to the effect that the whole county is suffering from the gradual abstraction of water from that county by London, and not only so, but in the case of the Bill which has been introduced, but which has not been read a second time, relating to the New River, the Hertfordshire County Council have presented a petition claiming that no further water should be taken out of Hertfordshire than is taken by the New River Company at the present time. Whenever we get to the New River Bill that will be a very pretty question for discussion, and the Hertfordshire people will show exactly, by geological and other evidence, what has been the effect upon them, and they will ask, as they are asking upon these very Bills, to have a limitation put on the quantity of water which may be taken from Hertfordshire.

1563. Then, without travelling into the New River

Mr. *Freeman*—continued.

River Bill, I have before me the petition of the Hertfordshire County Council, in respect to this very Lambeth Bill, in which they say it should be made subject to conditions limiting the daily abstraction of water from the Long Well and other works on the river Lea?—I hope the Hertfordshire County Council will not go into all that on this Bill, because, of course, if they do we shall never get to the end of it; but it is a clear indication upon their petition and upon the facts that there is a strong probability of powers being limited there. The same thing arises with Kent, and more directly upon this Bill. Then the County of Middlesex are raising a question, and even beyond that the Thames Conservancy Board have proposed to us a clause. They have petitioned against this Bill, and they proposed a clause to us which they wish to submit to the Committee to this effect: that on the Lambeth Bill the Council shall not, under the powers of this Act, or the recited Acts, take directly or indirectly from the river Thames, which expression includes any tributary thereof, and any defined channel discharging into the said river, or any such tributary, or off, out of, or from under any land near or within 500 yards of the Thames, in any day of 24 hours, calculated from midnight to midnight, a greater quantity in the whole than 24,500,000 gallons. So that the Committee will see that, not only are the legal powers of the Lambeth Company and the Southwark and Vauxhall Company to take water very much open to question, but the risk that those powers would be actually limited on the application to Parliament of somebody or other concerned in the matter is certainly not inconsiderable.

1564. Now as regards those matters, do you think it is specially necessary to enable them to be brought to the attention of the arbitrators to propose this clause?—Unless an arbitrator had the fullest possible powers, almost the powers of Parliament in regard to these matters, I do not see how the arbitrator can take that into consideration. I imagine it would be said: How can I consider what is the probability; all these companies have certain powers, and in the absence of any distinct actual limitation of those powers, how can I as an arbitrator take the matter into consideration. Nevertheless it is a serious risk as the Committee will see, because we may not only have to face the question of this Bill, but should it ever be necessary to get any further powers from anyone within this region, the Committee will see what a difficulty we should be in, or the Lambeth Company would be in if they remained in possession of their undertaking.

1565. Now further, on that clause you are aware that the Lambeth Company are in Parliament this Session?—Yes.

1566. Are you aware that in the report of the Local Government Board on that Bill attention is drawn to the fact that the company must not rely upon their statutory power to take water from Seething Wells, and that that power should be limited?—Yes; there are some very important points in the report of the Local Government Board on the Lambeth Company's Bill, and on the Chelsea Bill dealing with this matter which we have now under consideration. If the

Mr. *Freeman*—continued.

Committee will forgive me, I will read this paragraph from the Local Government Board Report: "The Board may add that they are advised that it is desirable that the Bill should prohibit the company from taking water from the Thames at Long Ditton. So far back as 1871 the preamble of the Lambeth Waterworks Act of that year recited that it was expedient that the company should be empowered to take water from the Thames above the junction of the Mole, which is above Long Ditton. Four years later the preamble of the Chelsea Waterworks Act, 1875, contained a recital to the effect that the company then supplied their district with water taken from the river Thames at Seething Wells (which adjoins the intake of the Lambeth Company at Long Ditton) but that the water of the river at that point was at times turbid and discoloured, and it was expedient that for the purpose of enabling the company to afford a better supply of water to their district, they should be authorised to take water from the Thames at a point above Molesey Lock." Perhaps Mr. Binnie will just show these intakes to the Committee. The Local Government Board report refers, which is rather important, to the intake at Long Ditton, and then there is the intake at Seething Wells; practically they are the same. "The intakes of the two companies at Long Ditton and Seething Wells have long since been discontinued as improper sources of supply; but the Board have recently been informed by the Secretary of the Lambeth Waterworks Company that that company have no intention of abandoning their statutory right to make use of that intake at Seething Wells, and that in the possible event of a serious accident occurring at the company's intake at Molesey, or in the trunk mains at any point between Molesey and Ditton, it might be necessary, temporarily, to resume the intake at Seething Wells. The Board are of opinion that if any precautionary measures are necessary to prevent accidents occurring at the intakes at Molesey, they should be taken by the companies, and that neither Company should rely on their present statutory power to take water from an intake which has long been discontinued as improper for the purpose." Whereas, as a matter of fact, although the Local Government Board say it has long been discontinued as improper for the purpose, I believe evidence could be given to show that even at the present time the intake is used occasionally whenever it may be convenient or necessary that it should be used. At all events, there it is. It is a legal power of the Lambeth Company, and the probability of that power being limited, certainly, I think, ought to be taken into consideration by the arbitrator. Why should this company contend—because that will be one great question—that they are able to increase their valuation by reason of the fact that they have a legal power to take in water at Seething Wells? The Local Government Board point out, as everybody knows, that, in the circumstances which have happened since that intake was authorised, it has become altogether an improper source of water supply.

1567. Now we may pass from that and proceed

Mr. *Freeman*—continued.

to the next two items, No. 3: "The adequacy and efficiency of the present sources of supply, and of the reservoirs, filter beds, filtration arrangements, wells, mains, conduits, pipes, machinery, and plant of the Lambeth Company to meet their present and future requirements." I think you took the next one with that, did you not, No. 4: "The probable or possible necessity of the future introduction of a new source of supply, or new, or improved works." First of all, dealing with the proposition that that is a fair matter to be considered by the arbitrator, that is mainly a question for engineering evidence, is it not?—Yes, it is; and, to a certain extent, as far as I can deal with the matter, I point out that even on the Report of the Royal Commission itself something must be done; there is a probable necessity of the future introduction of a new source of supply, or new, or improved works. It was rather put to Mr. Harrison whether that was intended to cover such an event as is contemplated by the Report of the Royal Commission, the removal of the intakes—the company being forced to remove its intakes, or its present intake at Molesey, up to Staines. It was no doubt intended (this is our contention) that whatever may be the future obligations which would be imposed upon the companies if the undertakings remain in their hands, should be considered by the arbitrator whether it becomes necessary to go far afield outside the Thames valley for a new source of water supply, or whether it is sufficient to make the storage reservoirs at Staines. The fact that those suggestions have been made with the prominence and force with which they have been made, ought to be before any arbitration tribunal in deciding what we ought to pay.

1568. Does this clause also relate, taking it as an illustration merely, to a matter which you have already mentioned, the break down of the companies' supply during the present winter?—Yes; of course there is a question which may have to be discussed to a considerable extent. The contention of the surveyors of all these parishes, and of Mr. Binnie, and of everybody concerned in the matter, is that the recent break down is due to two things. First, the mains were so inefficiently laid by them, because they were laid too near the surface, and were not properly protected—the mains were so inefficiently laid that the freezing of them necessarily followed, in fact that the obstruction by freezing was a matter which could have been prevented, and ought to have been prevented by the companies. That is one case. The other case was our contention that the companies, instead of continuing the water supply in their mains, shut it off. That, of course, is a very important matter, whether those mains are adequate and efficient or not. But what, of course, the water companies would say would be: What does it matter to us whether they are efficient, or whether they are not; as long as we had our undertakings we got our money? It may be true that, in many of those cases, if the consumer had resisted the demand made upon him, and had chosen to go through all the processes, and all the Courts and perhaps up to the House of

Mr. *Freeman*—continued.

Lords—it may be true we should not have recovered the quarter's water rate for the period during which we gave no water. *Primâ facie*, it certainly seems that where a company is entitled to charge for a supply of water it could have very little right to the demand where the supply of water is not given; but there are difficult legal questions involved in the matter. The companies might fairly say: We got our money, and we should go on getting our money—people would not have resisted: people would not have discussed that matter with us.

Chairman.

1569. Do you mean that is the way they would argue it before the arbitrator when the question was brought on?—It seems to me that that would be open to them.

1570. Then you do not mean, in this part of your evidence, at all events, to contend that they could not bring it before the arbitrator at all?—Well, of course that depends upon the basis upon which the arbitrator would proceed; and I think practically we all agree on both sides that there could be only one basis. The arbitrator must take the gross income of the company, and he must deduct from that gross income all the necessary expenditure in the way of interest upon debt, and cost of management.

1571. I did not mean to ask you at this stage to argue that part of it, because, no doubt, that will come on bye-and-bye. I only meant with regard to the immediate answers you were giving. You were saying what would, or would not be said before the arbitrator. That seems to me to imply that this issue would have been raised and debated by the arbitrator?—Yes, I might put it in this way, perhaps, that the companies would say: If inadequate and inefficient means—if such a system as we have at present, yields us a certain income we are entitled to be compensated on the basis of that income, and without reference to the fact that directly the purchaser has paid us for our undertaking he will be placed under the liability involved in making that system both adequate and efficient.

1572. Certainly I only meant to say it involves that that argument should take place before the arbitrator?—Yes.

Mr. *Freeman.*

1573. In your opinion would it be possible to raise these questions with the certainty of their being discussed if there were not some direction enabling the arbitrator to take them into consideration?—I suppose it is very likely that if this matter comes forward I shall have to take a part in conducting this arbitration, and I certainly see a considerable difficulty.

Mr. *Littler.*] I know Mr. Cripps is very experienced as a Parliamentary Agent, but I should very much like to know how many arbitrations he has been concerned in?

Chairman.] You can ask him that question bye-and-bye.

Mr. *Littler.*] He is here now as an expert in arbitrations.

Mr. *Freeman.*] You can cross-examine him.

1574. In

Mr. *Freeman.*

1574. In your opinion such a direction as you are now inserting is necessary in order that this important point may be fairly raised before the arbitrator?—It seems to me it is necessary. If it is reasonable that the matter should be considered, which seems to me almost to go without saying. I think it is necessary that there should be some direction to the arbitrator on the point.

1575. Now we will proceed, if you please, to paragraph 5: "The legality of the charges now made, or claimed to be made by the Lambeth Company, and the reasonableness of such charges having regard to the circumstances under which the powers of charge have been granted by Parliament"?—Yes.

1576. As regards the first part of that paragraph, "The legality of the charges now made or claimed to be made by the Lambeth Company." I think that that is a matter that you have already touched on to a certain extent?—Up to a certain extent, in this sense of course the question will arise as to whether or not the Lambeth Company is entitled to its income for a particular quarter of the year during which it only supplied the consumer perhaps for a week or two. I think there are some cases where it will be found that the consumer was without water for more than a quarter. I know that in Wimbledon there were about 4,000 houses out of 6,000 (the total number of houses is 6,000) which were without water, I forget exactly for how long, but I think evidence will be given to show that many of these consumers had no water for a quarter, and in the meantime had to pay the cost of getting it to somebody else. That surely is a matter which ought to be considered? Supposing the company show that they have got that money quite irrespective of the legality of the charge, I think that the legality of that, just as an instance, ought to be before the arbitrator.

1577. And that would be a matter which would affect a very considerable figure as regards its revenue?—I think, of course, it would affect it. One cannot help seeing it would be of immense importance whether the company are or are not entitled to get their money although they did not fulfil their obligation. That is the question. If having failed to give the man any supply of water at all they are entitled to their money legally, we must pay them, I suppose; but surely it ought to be thoroughly well considered, and probably even (if the companies test it) by a decision of the House of Lords, whether they were legally entitled to charge for that quarter of the year when they gave no water supply. It would take off a fourth of their income obviously for the year.

1578. You give that instance as an illustration of the sort of way in which it would come before the arbitrator?—That would be one point.

1579. There are various other points?—There is a point which has been very much disputed.

Chairman.

1580. I do not quite follow you; you say efore the House of Lords. How would the b uestion come before the House of Lords?—I q ke it unless there was an agreement between ta 384.

Chairman—continued.

the parties as to what was the legal right of the company with respect to that matter the decision of the courts of law would be necessary before an arbitrator could determine what was the amount of compensation to be paid.

1581. That is to say, that the question having been raised before the arbitrator and one of the parties, not being satisfied with that provision, would take it to the courts of law, and possibly to the House of Lords?—I take it that must be the result under such a scheme as we suggest. We should say you must knock off that item from the company's income. The companies would say we are legally entitled to it. The first question would be whether or not they were legally entitled to it.

Mr. *Freeman.*

1582. Just to follow that out by steps so that we may get it quite clear. Assuming under this clause it is competent for the arbitrator to consider that particular point, he might give a decision upon it which would not satisfy one or other of the parties?—Yes.

1583. They would then apply to the arbitrator to state a case for the opinion of the Court, and it would then, as you say, be carried if necessary to the House of Lords?—I take it they would adopt the process of endeavouring to prevent the arbitrator from entertaining any evidence on the point.

1584. In order that he should entertain it at all, or state the case, it is necessary it should go before him?—Yes.

Mr. *Littler.*] Perhaps you would not mind letting Mr. Cripps say what he means.

Chairman.] Mr. Cripps' argument has proceeded on the assumption that it would go before the arbitrator.

Mr. *Freeman.*

1585. That is exactly what we are getting clear, subject to interruption. (To the *Witness.*) You were giving some other illustrations?—There is a great question in the Lambeth district as to how far, under the peculiar terms of their enactments, they are entitled to make an extra charge for baths, for instance, and for various things which, according to the contention of the consumer, ought to be covered by the rate which he pays for the supply of water for domestic purposes. I do not know that the Committee have exactly had it before them, but, of course, the fact is that the rate per cent. which the Lambeth Company are empowered to charge for the supply of water is very much higher than the rate per cent. which the Southwark and Vauxhall Company are entitled to charge, and very much higher than the rate per cent. which the West Middlesex are entitled to charge in the same area, and the contention is, that having regard to the terms of the Lambeth Company's Acts they are not entitled both to charge that much higher rate per cent. for the water, and also to charge extra for other than domestic supplies. That is a question that has never been satisfactorily threshed out and decided, although, no doubt, in so far as the decisions have gone, I

Mr. *Freeman*—continued.

think they are rather adverse to the claim of the consumer, but there is a great question, and a very important question, because the company's income is made up of two items, first, the amount per cent. which they can charge on the rateable value of the house, and secondly, the extra charge which they can make for water-closets, baths, gardens, and other matters. The item is, I think, roughly speaking, a quarter, or, perhaps, a third of their whole income. Speaking generally, apart from any question of the reasonableness of the charge, which I suppose you will come to presently, there is the legal question as to what proportion of that income can be properly recoverable by the company.

1586. Even as regards the charges which they do make, in your opinion is there a question arising as to the form in which they are made?—I have here a demand note which the Lambeth Company serve on their consumers, requiring them to pay their money. I rather think they have been making an alteration just lately in consequence of these suggestions, but, at all events, up to the present every one of these demand notes on the Lambeth Company is framed in such a manner as not to give the consumer the only information which he requires in order to ascertain whether he is correctly charged or not, and it contains, moreover, more than one suggestion which I need hardly say is misleading, but as a matter of fact it is exceedingly likely to result in a consumer having to pay, without knowing it, a great deal more than he is really legally bound to pay. Just to explain that I will put on the notes a demand note of the Southwark and Vauxhall Water Company. I merely take a demand note by chance for the purpose of illustrating this matter, because the Southwark and Vauxhall Company's demand note gives it in a correct and sufficient form, and on the demand are set out the sections from the statute which entitle the company to make these charges. As regards the Southwark and Vauxhall Company on this point I have nothing to say; I think their demand note is a fair and proper indication to the consumer, and is calculated not to result in illegal charges.

[*The demand note was put in, and is as follows* (*see Appendix A.*)].

Witness.] Now I would ask the Committee to compare with that the Lambeth demand note.

[*The demand note was put in, and is as follows* (*see Appendix B.*)].

Witness.] Now take this Lambeth note—and I may say that I have had hundreds of these cases brought to my notice from the Lambeth District—but the whole system as between the consumer and the Lambeth Company has led to a great deal of local irritation, and although we do not want to trouble the Committee with the whole of that story, I think there are just one or two points which tend to throw some light on the matter. I have before me a demand note of the Lambeth Company, which begins by giving the name, and that application is made for 1*l.* 15*s.*, being the amount of two quarters' water rate from Christmas, 1893, to Midsummer, 1894. As the Committee will see, there is omitted there what I say is essential for the consumer, the rateable value of his house, and no information as to how that 1*l.* 15*s.* is arrived at. It is quite true that a communication to the water company will be acknowledged, and it will be stated that it will receive attention, and a second communication will probably bring the same reply, and ultimately the consumer can obtain from the company some explanation. Then at the top of the demand note is written this: "The Directors have caused the Company's statutory scale of charges to be printed hereunder for the information of their customers." If you look at "hereunder" you see truly enough a scale, but not the whole thing. They do not give the whole of the sections. I do not know that they need, but in the case of the Southwark Company the whole thing is given, so that the consumers can see what it is. Then at the bottom they say the charge for fixed baths is 10*s.* per annum each. The note is headed, you see, with the words "The Directors have caused the Company's statutory scale of charges to be printed hereunder." There is no such statutory scale at all as a charge for fixed baths at 10*s.* per annum.

Chairman.

1587. I think you have given us a sufficient amount of illustration of what you mean by these words in the clause?—There is one other point. It says, "These are fixed charges for granting supplies which the late Sir G. Jessel, Master of the Rolls, in the case of Low *v.* Lambeth Water Companies decided not to be domestic supplies. These charges as well as those for trade and other supplies can be ascertained on application at the company's offices." As a matter of fact, I think it is quite clear from an examination of the proceeding that Sir George Jessel did not give any such decision at all. It was rather a question of detail between the companies and their consumers, but it is quite obvious that with a demand note so worded there is some justification for the very numerous string of communications.

1588. As regards that last point they have abandoned it in their last note?—I am not quite sure whether they have or not. Where the consumer is respectfully reminded that a demand has not been paid—it is not there; but another thing is that that company supply water for a fixed bath at a charge of 2*s.* 6*d.* per quarter payable in advance. If the company are entitled to make any charge for baths at all it merely is that they are not bound to this application for baths.

1589. You might pass that point?—There are points upon that which tend to throw some doubt on the legality of several of the charges.

Mr. *Freeman.*

1590. Now those three illustrations you have given us sufficiently illustrate the sort of point which in your opinion under this head should be brought to the attention of the arbitrator. Now in your opinion unless there was some direction such as is proposed in this clause, could that properly come before the arbitrator?—I doubt it very much, as Mr. Charles Harrison said, they are charged to the extent of 10*s.* a year. All of us have a grievance against our water company, and

Mr. *Freeman*—continued.

and many of us think we are overcharged and yet we pay. If there are cases of illegal charge, I think it is quite clear they ought to be considered, but the companies quite fairly enough say they have a certain income they are deriving from the concern, a certain sum per annum. The companies between them are drawing out of London and the neighbourhood two millions a year and that, they would say, we get; whether Mr. Jones was overcharged 10*s.* a year or not does not matter the least in the world. The thing to us was the income which it would produce. We got our two millions a year, which gives us about a million to run the concern, and no doubt, we divide about a million a year amongst ourselves. They would argue that that must be the basis of compensation, and you must not go behind all these matters to our demand notes and our accounts and our charges, you must take it that it appears from our accounts that that is our profit.

Chairman.

1591. Then the arbitrator would have to say, as I understand, whether he would go further into that case or not?—Suppose we were to contend, in answer to that argument, you must knock off from that income to say 50,000*l.* a year in respect of an alleged illegal charge, the company would say we have had 50,000*l.* a year and have always had it without question, and it ought to be a part of the basis of compensation. What we want is that where there is a dispute upon a legal point there should be a clear power to bring before the arbitrator the alleged illegality.

1592. Do you contend that the arbitrator would not have it in his discretion to say whether he would go into that question or not. What is to prevent him, I mean?—I think perhaps on that particular point it would be rather difficult to say that he would not take it into consideration; but of course this must be borne in mind, that we are dealing now with alleged illegal charges, and not with the reasonableness of charges; but I think it certainly ought to be clear, and that in some way or other this question could be fully tested in the arbitration before the legal amount of net income on which the companies claimed to be compensated was arrived at.

Mr. *Freeman.*

1593. Now the second part of that clause I see relates to the reasonableness of the charges having regard to the circumstances under which the powers of charge have been granted by Parliament. I think in connection with that it is convenient, is it not, to take Sub-section 8, "The statutory powers of any other company to compete in any part of the Lambeth Company's district, and the rights of any other company or body to supply water in the Lambeth Company's district, whether as now existing under statute or otherwise or as may be likely to exist in the future"?—All those matters, of course, depend in a great measure upon the actual constitution of these companies, on the nature of their concessions, and the undertaking which they have given. They are no doubt very much mixed up with one another.

Mr. *Freeman*—continued.

1594. Both those matters depend, do they not, very much on the consideration of the history of these two particular companies?—Yes.

1595. I think that is a matter which you have had to go into at very considerable length and trouble, ascertaining what the actual position of these companies was, and the way in which they obtained these powers?—Yes, it is essential to consider what is the real position of the companies in the peculiar circumstances of London in order to deal with the question of how they ought to be treated in any arbitration.

1596. In order to do that you have had, have you not, to trace the history of the companies, extracting it from the Committee's reports of what took place before Parliament at various times?—Yes. For this purpose I have simply taken what you may call the authentic information which is to be gathered from the journals of the House of Commons, and from the petitions against bills, and the statutes.

1597. From that I think you have concisely put together, have you not, the history really of these two companies, so far as it affects this particular question?—I think so.

1598. First of all take the Lambeth Waterworks?—May I just say, before you go to that, what I would endeavour to prove in this way, because it affects no doubt the question of these two companies as well as others. You see these eight companies, or perhaps I had better confine myself to the Lambeth and Southwark and Vauxhall. You will find there are two classes of companies: first of all there is the company originally authorised by Parliament to supply water who got "in" the inception of things a monopoly, in this sense, that they first covered the ground, and nobody else was allowed to interfere with them. Therefore you have the companies who first of all had a concession in the nature of a monopoly from Parliament, from whom subsequently that right was deliberately taken away. Then you have the second series of companies, who never had any monopoly, but had their concessions given to them by Parliament for the express purpose of competing with older companies, on the ground that monopoly was inexpedient and prejudicial; the monopoly which the older companies had. So that you have a very peculiar thing here, which never has prevailed in any other part of the United Kingdom; that you have the two classes of companies, first of all, the companies with a monopoly which has been deliberately taken away from them by Parliament; and secondly, those companies who were simply constituted and established by Parliament to compete with the older companies and deprive them of their monopoly; and you will find, if you go through the history of this case, that that is so.

1599. Take, as an illustration of that, the history of these two companies. I think you find it was in 1785 the Lambeth Waterworks was first founded?—Yes.

1600. After a private meeting held, their application was made to Parliament, was it not, and the subscribers were incorporated as the company of proprietors of the Lambeth Water-

Mr. *Freeman*—continued.

works, with power to supply the parish of Lambeth and various places in the county of Surrey?—Yes, I was thinking whether I could in any way explain this conveniently from those maps. I am afraid it is a little complicated. The Lambeth Company was authorised in 1785 to supply the parish of Lambeth. The Committee will see that Mr. Binnie is now dealing with the map which shows the Lambeth Company's area, but Mr. Binnie will also show the parish of Lambeth on the map which shows the Southwark Company's area. That was the first statutory grant by Parliament of powers to supply the south of London with water. The Lambeth Company were incorporated in 1785, and they were empowered to supply water in Lambeth and parts adjacent. "Parts adjacent" has never been exactly interpreted, and it has been altered by subsequent legislation; but it is clear that the original area of the Lambeth Company included not only the parish of Lambeth, but, whatever it meant at the time, parts adjacent.

1601. In 1805 was another company formed to supply parts of the same district and other parts of South London?—Yes.

1602. That was called the South London Company?—That was the South London Company. That company was established in 1805.

1603. I think it afterwards became the Vauxhall Waterworks Company, did it not?—Yes.

1604. And finally it amalgamated with the Southwark Company, and became the Southwark and Vauxhall Company?—Yes.

1605. So far as you have got, do you find, first, the Lambeth Company, and next the South London Water Company, both covering the same area?—Yes, but there is a very important observation to be made on that. I have a map before me, upon which I have marked not only the Lambeth area, which the Lambeth Company were authorised to supply in 1785, but the South London area. As I have already said, the Lambeth Company were authorised in 1785 to supply the parish of Lambeth. Under the South London Act of 1805, the South London Company were authorised to come in and compete with the Lambeth Company in Lambeth and parts adjacent. They were empowered to supply St. Giles', Camberwell, certain parts of the parishes of St. John's and St. Mary Magdalen, in Bermondsey; St. Mary's, Rotherhithe; St. Nicholas and St. Paul's, Deptford; St. Mary's, Lambeth; St. Mary's, Newington; Walworth, Kennington, Stockwell, Clapham, Peckham, Peckham Rye, Dulwich, and other places. Practically, that gave the South London Company the power to supply over the eastern portion of their own territory as coloured blue, and over a considerable part, as the Committee will see, of the Lambeth Company's area as coloured red.

1606. I think they were expressly restrained, were they not, from supplying certain other areas?—Yes; a clause was inserted for the protection of the Lambeth Company against competition in a certain part of its area. I do not know that it is necessary to define the exact area, but it extended approximately from a point between Vauxhall and Lambeth Bridges to a point between Southwark and London Bridges. It covered the northern part of the parish of Lambeth, the parish of St. George-the-Martyr, and some other part there. There was an area which in the interests of the Lambeth Company was saved for that company.

Mr. *Rigg.*

1607. That was the area they were already supplying, was it not?—No doubt they were actually supplying it at that period; at least they probably were, but I can give you the information if you like.

Mr. *Freeman.*

1608. I think that was referred to by their secretary, was it not, before the Commission, as the most populous neighbourhood on the south side of the Thames?—It was, and this matter was dealt with by Committees of Parliament in 1821 and 1828, and that particular area was referred to as being the most populous part on the south side of the Thames.

1609. The result of all that was that the Lambeth Company had power to go into the districts of the South London Company, and the South London Company was prevented from going into theirs?—Yes.

1610. I think in 1810 the South London Company endeavoured to get rid of this restriction, did they not?—Yes, they did. They applied to Parliament for powers to enable them to compete with the Lambeth Company, not only in the other part of the area, but in this protected portion. I have here the exact words of Section 17, with the exemption, and as something turns upon it afterwards, perhaps I may as well put it on the notes: "Beginning from the Thames at White Hart Dock, Broad-street, including Broad-street and Lambeth Butts to Lambeth Walk; thence northward along Lambeth Walk to Walnut Tree Walk; thence eastward through Walnut Tree Walk to the turnpike road at Walcot-place; thence northward along the said turnpike road to Brook-street; thence south east along Brook-street to West-street; thence in a right line to the elbow of the ditch dividing the parish of Lambeth from the parish of Newington; from thence eastward along a ditch passing the north side of Newington Churchyard; thence continuing eastward through Parsonage Walk into Turnpike-road at Newington aforesaid; thence running north and north-eastward along the said Turnpike-road to Blackman-street; thence north-west along the north-east side of the King's Bench to Belvedere-place; thence north-east to Great Suffolk-street; thence north-west and north through Great Suffolk-street, St. James's-row, and Gravel-lane to the River Thames at Falcon Wharf, and from thence along the shore of the said River Thames to Broad-street aforesaid."

1611. I think that Bill of the South London Company was strongly opposed by the Lambeth and Kent Companies, was it not?—Yes.

1612. It was thrown out in the House of Commons after having passed the Committee?—Yes, that was so.

1613. What

Mr. *Rigg.*

1613. What is it you said you were going to put on the notes?—An extract from Section 17 of the South London Act, 1805, which prevented the South London Company, as it was constituted, from competing within a particular part of the Lambeth Company's area, which is the year I have already described as extending from somewhere near Vauxhall Bridge to London Bridge.

Mr. *Freeman.*

1614. As I think you have already mentioned, in 1828 there was a Commission appointed to inquire into the state of the supply to the metropolis, was there not?—Yes, and the South London Company communicated with the Commissioners in these series, which are to be found on pages 33 and 34 of the evidence before the Commission of 1828. "The injurious tendency of monopolies in general have long been apparent, and as regards water companies has been acknowledged both in and out of the House of Commons. But His Majesty having been pleased to issue a Commission to inquire into the state of the supply of water to the metropolis, and to direct that the inquiry of the Commissioners should be extended to the state of the supply in the borough of Southwark, the directors beg to call your attention to this subject; and if at the investigation of the case you should agree with them in opinion that by this monopoly or exclusive privilege the safety and interest of the public is compromised, and injustice done to the South London Water Company, the directors shall rely upon your exertions to remove the grounds of complaint." That is a letter from the South London Water Company which was put before the Commission of 1828.

1615. I think petitions were also addressed, were they not, by the inhabitants of Lambeth and by the parish of Christ Church in Lambeth, praying that the company's monopoly might be removed?—Yes. There was a great deal of dissatisfaction at that time with the limited competition of the South London Company, and it was desired to introduce them into this protected area to compete with the old Lambeth Company.

1616. I think the Lambeth inhabitants in their petition set forth that the Lambeth Company enjoyed a monopoly of supplying water, that it was a very populous and increasing neighbourhood, and that the petitioners were deprived of competition and subject to the payment of whatever rates might be demanded?—Yes. The South London Company dealt with the same thing in their statement to the Commission of 1828.

1617. Yes, but I do not think we need repeat that. It is very much the same, is it not?—Very well.

1618. The inhabitants of Lambeth and other districts south of the Thames petitioned Parliament, did they not, that the inquiry and the Commission of 1828 might be extended to the water supply south of the Thames?—Yes, because in 1828 the whole matter was considered by Parliament; I mean the original constitution of the companies was considered by Parliament. There had been great dissatisfaction in the North of London and a very enterprising company, the West Middlesex Company, had been established, and, after a very long contest with the old companies there, had forced its way in as an anti-monopolist and competitive company. Those circumstances were attracting a great deal of public attention at the time, and a Commission was appointed in 1828 mainly due to what was happening on the north of the Thames, but, as appears from the Commons' Journal, page 589, the inhabitants of the parish of Lambeth and Christ Church presented petitions praying that the Lambeth Company's monopoly might be removed and the supply of water thrown open to competition.

Mr. *Freeman*—continued.

1619. You find, do you not, that the Southwark and Vauxhall Company resulted from the amalgamation of the South London Company, which you have been referring to, with various other companies, such as the London Bridge (Borough) Waterworks and the Southwark Waterworks?—Yes. In the early times, which the Committee will not want me to go into, there were two undertakings supplying South London with water. I get this also from the evidence given before the Committee in 1828. Those companies were the London Bridge (Borough) Waterworks and the Southwark Waterworks, and they were amalgamated into a company in 1822. Previously there had been some assignments of these old waterworks. The London Bridge Waterworks were bought by the New River Company, and the portion south of the river was sold off by them and passed into other hands. This company was established in 1822, and their district of supply included the whole of the parishes of St. Saviour's, St. Thomas', St. Olave's, a great portion of the parish of St. George's, and also of St. John's, Horselydown, and part of Bermondsey. So that another company was established by Parliament to compete with the previously existing company.

1620. I think we may now come, may we not, to the year 1834, when all the impediments to free competition were removed?—I do not think it necessary to go in any detail into all the history between those periods; it is all on record; but in 1834 the whole question of the establishment of these companies was again considered, and what happened was this. The South London Company had their name changed to the Vauxhall Company, and all the provisions of the original Act of 1805, which had been in favour of the Lambeth Company, and which exempted a part of the Lambeth Company's district from competition, were repealed, so that the South London Company were let in. The people of South London had been petitioning Parliament that they should be let in, and the South London Company were let in to compete in that part of the Lambeth Company's district. At the same time, that company (formerly the South London Company and then the Vauxhall Company) had its powers extended to the whole of the parishes of Lambeth, St. Mary's, Newington, St. George the Martyr, St. Saviour's, St. John's, St. Thomas', St. Olave's, and Christchurch, all in the borough of Southwark. Then by the Act

Mr. *Freeman*—continued.

of the same session the Southwark Company had powers to supply in competition with the South London Company, and also in competition with the Lambeth Company, so that, in fact, in 1834, the three companies were set free, or rather all the previous Acts were modified with the express object of leaving those three companies free to compete one with another in the general interests of the district.

1621. And as the result of that there is evidence, is there not, in the Report of the Commissioners on the State of Large Towns and Populous Districts, that a very free competition did ensue, and very vigorous competition too?—Yes. Upon their own papers it is quite clear, and in a supplement to the Second Report of the Commissioners on the State of Large Towns, pages 116 to 118, there is a statement of the companies themselves. They were trying to make out that this competition was very hard upon them; but they say "these expenses being accompanied by a great reduction of rates, the result was such as might have been expected." Of course, from the companies' point of view it had nearly ruined them, but from the consumers' point of view it had resulted in water being supplied at a much more reasonable price.

1622. That is rather an illustration, is it not, of the various ways in which the companies put their case, whether they are in favour of competition or amalgamation?—It is, of course, when they want to obtain powers to come in and compete with other companies they talk about the injurious effects of monopoly; and when they want to put up the rates again they talk about the injurious effects of competition.

1623. The Lambeth Company made a statement, did they not, to the Royal Commission which is set out in Appendix A, page 21, giving an account of the rivalries that existed?—They alluded to it rather tenderly; but they did make a Report to the Royal Commission in 1882 which fairly explained the case.

1624. I will just read this paragraph.

Chairman.] Could you not put it in?

Mr. *Freeman.*

1625. It is only two or three lines, but I will not put it in if you would rather I did not?—They state that during that period a fierce competition existed between the two companies which culminated in 1845. A truce was then agreed to, and from that time each company has carried on its business with a fair regard to its neighbours. In other words, they made the best arrangement they could between themselves to secure the best possible income.

1626. In 1845 the Southwark and Vauxhall Companies introduced a Bill for amalgamation, did they not?—Yes; and the effect of that was to combine the Southwark and Vauxhall Companies together into one, and strengthen them in their competition with the Lambeth Company. After 1848 you have the state of things which is exhibited on those maps.

1627. Was the result of this amalgamation to extinguish competition for the supply of water to the south of London or not?—No. The Act of 1845 amalgamated the Southwark and Vauxhall Companies, and of course it materially

Mr. *Freeman*—continued.

strengthened that company and made it more or less equal to competition with the Lambeth Company; and after 1845 you had the area of the Southwark and Vauxhall Water Company approximately as coloured blue on those plans, and the area of the Lambeth Company as approximately coloured red. Each of these companies were then in a position to compete with one another; and they were established, in fact, by those Acts, as I have explained, for the purpose of competition.

1628. In 1848 the Lambeth Company's limits were altered, were they not?—Yes.

1629. What was the result of that?—The result of that was this: previously to 1848 the Lambeth Company's limits had been merely defined as "Lambeth and the parts adjacent," but the Act of 1848 repealed all their old Acts, and re-defined their limits of supply. These limits of supply were to be Thames Ditton, Esher, Long Ditton, Kingston-upon-Thames, Putney, Malden, Wimbledon, Merton, Mitcham, Tooting, Graveney, Clapham, Wandsworth, Battersea, Streatham, Croydon, Newington Butts, St. Mary, Newington, Camberwell, Bermondsey, St. Mary, Lambeth, Rotherhithe, St. John, Horselydown, St. Saviour's, St. George the Martyr, Christchurch, St. Olave, St. Thomas, and the Clink Liberty in the Borough of Southwark, and such part of the parishes of Beckenham and Lewisham as lie on the western side of the River Ravensbourne. So far as the metropolitan area was concerned it is shown red on that map; and the outside district of Lambeth is shown red on that map. That map shows the areas.

1630. I think that in the inquiry which took place in the year 1851, evidence was given by the engineer of the Southwark Company and by the Chairman of the Southwark Company as to the effect of competition between the companies, was it not?—Yes, I rather mention that, because Mr. Pember, I think, suggested to Mr. Charles Harrison, in cross-examination, that what took place in 1851 and 1852 had deprived us of the advantages of that competition between the two companies which had been so gradually and laboriously established by Parliament by the enactments earlier in the century.

1631. I do not think we need go into any detail as to that, but I want to ask you a few questions with reference to the next period between 1847, to which you had got, and the year 1852. Up to the year 1848 I think your evidence has been almost entirely dealing with the portion of the 6th Clause of the Lambeth Company's Act which relates to the powers of other companies to compete in the district. Is that so?—Yes. I ought, perhaps, to have pointed out that the West Middlesex Company, whose area is shown on the map at the top, had in the interval obtained power to come in and compete with the Southern Companies south of the Thames. I have not at the moment got the names of the parishes before me, but I think they are Putney, Wandsworth, and Battersea. They are shown on the upper map there. Therefore, so far as the district which we are now dealing with is concerned, at the period at which we have

now

Mr. *Freeman*—continued,

now arrived, the people had the Lambeth Company empowered to supply them, the Southwark and Vauxhall Company empowered to supply them, and the West Middlesex Company empowered to supply them.

1632. You were just dealing with this particular matter. I was pointing out that, so far as we had got, the evidence had related to the powers of other companies to compete in the district?—Yes.

1633. I think what you are now going to explain to the Committee also relates to that part of the clause which refers to the reasonableness of the charges, having regard to the circumstances under which they have been granted by Parliament; is that so?—Yes; these things are rather mixed up together after this point.

1634. Is this period from 1847 to 1852, in your opinion, very important from an historical point of view as explaining the position of these companies?—It is upon that period, in fact, that the existing constitution and rights of these companies depend, and if we can show, as I think we can show, from the history of that period the position in which we say these companies actually are, I think that really is the essence, so to speak, of Clause 6.

1635. In your opinion does this period clearly show the distinction between these companies and the companies which have been already referred to, namely, the large provisional companies in other cases?—Yes. Of course there you at once begin to see the broad distinction between the eight London companies or any one or more of them on the one hand, and these provincial companies, whose cases have been referred to, on the other hand. You see in 1852 really what the foundation of these companies is as they now stand.

1636. Do you find from the history of these companies at this time a very substantial difference in their position from that of almost any other company whose history has been narrated?—Yes; the whole position is about as different as anything can possibly be. I do not know whether you wish me to deal with the cases of the provincial companies; but we have had, of course, certain of them referred to already here which I suppose we must deal with. I have already pointed out this very radical distinction, I think, in the case of the London companies. The Committee will see at this point, where we are dealing with the Lambeth Company and the Southwark Companies, that the old Lambeth Company originally had certain powers of supply. New companies were introduced and established by Parliament for the purpose of removing the original monopoly of the Lambeth Company, and of supplying water on the basis of competition. The whole argument and contention on the part of London previously to 1851 was, that the companies had really deprived the consumer of those very advantages to which they were entitled. Mr. Balfour Browne has read that remarkable declaration of Lord Eldon, which was made at a time when the original constitution of the company was being much discussed, but if it could be shown that by combination they had deprived the public of the advantages of

Mr. *Freeman*—continued.

competition, for which alone they were originally constituted, it was within the competence of Parliament to set the matter right. That was the position of these companies. They had a power of competition, but it was alleged that by agreements one with the other they had succeeded in getting out of that competitive position. If you had been dealing with the companies north of the Thames you would have found that there were several occasions when the companies actually applied to Parliament for powers of combination, or amalgamation in one way or another, but on every single occasion the people of London opposed it, and the applications were refused. That went on down to the very latest date which we have already referred to, 1883; so that you have the companies, authorised in that way, having from time to time tried to deprive the consumers of this competitive position, and having always been prevented. Of course there is no single case in any provincial municipality of anything of the kind, not at least so far as I know, and I think I know the history pretty well.

Chairman.

1637. Do you mean that in the cases of provincial companies there were a couple of companies in each town that were competing, or between whom was the competition?—No; I do not think that there was ever any case in the provincial towns where one company, having first of all been authorised by Parliament to supply water, another company was subsequently authorised by Parliament to come in and compete with them in the supply of water in the same district; at all events there is no important case of that kind. In London the whole area was dealt with on that basis. As it is very important, perhaps I may for a moment revert to the question of rates. The Lambeth Company have the highest maximum power of charge, the Southwark and Vauxhall Company have the next highest maximum power of charge, and the West Middlesex Company have a lower one. The result is, to tabulate it, that if you take an ordinary 25*l.* house the maximum charge which the Lambeth Company may make is 60*s.* I am assuming for the purpose of this argument that there are two w.c.'s and a bath in the house. It would not be so, of course, in many cases, but it is in some, and I have taken that all the way through. The rate in the Lambeth district would be 60*s.*, and the rate in the Southwark and Vauxhall district would be 25*s.* Upon this point I will just hand in a table, so that it may appear on the Notes, because it shows that the arbitrator should consider and have regard to the statutory powers of any other combination to compete in any part of the Lambeth district. The Southwark and Vauxhall Company has power to compete in the whole of the Lambeth district. The West Middlesex Company has power to compete in the parishes which I have mentioned, or of Putney, Wandsworth, and Battersea. Taking the houses according to their rateable value, the maximum water rate which could be charged by the Lambeth Company is 60*s.*, by the Southwark and Vauxhall Company, 25*s.*, and by the West Middlesex Company, 22*s.* 6*d.*

Chairman—continued.

Therefore, under the position which Parliament has established for the consumers of South London, the consumer ought to have the benefit, if he is in either Putney, Wandsworth, or Battersea, or getting a supply from the West Middlesex Company at 22*s.* 6*d.*, or, if he is in the Southwark and Vauxhall district, and not within either of those three parishes, he ought to be able to get a Southwark and Vauxhall supply at 25*s.*; but, by the arrangements which these companies have made between them, the West Middlesex Company stay on the north of the Thames, and do not put their supply into this area at all, and the Southwark and Vauxhall and the Lambeth Companies have partitioned the area as well as they can between them, so that in the middle of that red-patched area supplied by Lambeth the 25*l.* householder has to pay 60*s.*, whereas if he could call upon the Southwark and Vauxhall Company to supply him, or if the Southwark and Vauxhall Company chose to supply him in conjunction with the Lambeth Company, they could only charge him 25*s.* However, inasmuch as the Southwark and Vauxhall Company do not compete with the Lambeth Company in that particular part of the district, the Lambeth Company can, and I think from the evidence I can show they habitually do, charge him 60*s.* The other cases are these. With regard to a 30*l.* house service, the maximum in the Lambeth district is 67*s.*; the maximum in the Southwark district is 30*s.*, and the maximum in the West Middlesex district is 27*s.*, and so on. I will hand in this table.

Chairman.] Yes, I think that will be better, because we shall be better able to follow these figures.

[*The following Table was handed in* (see *Appendix* C.)]

Witness.] Anybody over 200*l.* is charged in the Lambeth district 262*s.*; in the Southwark district 247*s.*; and in the West Middlesex district 185*s.* There is in existence, therefore, a power on the part of both the Southwark and the West Middlesex Companies to compete with the Lambeth Company. That is a provision created by Parliament, and that is one of the points which we suggest the arbitrator should have regard to.

Mr. *Freeman.*

1638. That you say is a special matter affecting London which you do not find to correspond in the provincial cases?—In no other cases at all.

1639. Have you handed in a table showing those different charges which will appear on the Notes?—Yes, I have.

1640. Have you handed in all the tables that you wish to hand in?—I think so. I have conficed it to certain houses of a certain value.

1641. There is one matter which is just worth noticing in passing. You find by your inquiry into the history of these cases that in no single case have the companies paid anything for their source of supply?—The London water companies are merely taking out of the Thames the water which does not belong to them and for which they pay nothing. If the water of the Thames belongs to anybody, it belongs to the riparian population below the intake, or, as is

Mr. *Freeman*—continued.

suggested, under the old grants to the municipality of London, whatever they may be; in fact, the authority representing the inhabitants of London has certain rights in the water of the Thames. The water of the Thames below the point of intake belongs partly to the county of London, and of course to the other riparian counties; but the London water companies were simply allowed, after the cholera outbreak in 1848, and in fact they were forced, to give up their old intakes; Parliament made that compulsory upon them, and they were allowed to go up the Thames and take our own water out of the Thames at a higher point without paying for it, to make a profit out of the business of distribution. Of course there are some cases in the provincial towns where water is being pumped out of a river which flows through the town supplied without there being any special provision for compensation, but I think that is exceedingly rare, if it exists now at all.

1642. In nearly all provincial cases you find, do you not, that the company has been put to great expense with regard to making compensation, reservoirs, and taking water out of the stream?—That is so. There is no compensation here. That will be dealt with, of course, as rather an engineering matter, but the water is taken out of the Thames without any compensation and without any payment. I do not, of course, forget the payment to the Thames Conservancy, but that is a special matter, and for special purposes.

1643. I think that brings us, does it not, to the proceedings which took place in those very important years 1851 and 1852?—Yes; of course that question you have just asked is a very important one in this case, more especially having regard to the position of the Southwark and Vauxhall Company. Unless we are to submit to the arbitrator the whole position as to the legal powers of these companies to take water it comes to this, that the more we have allowed the companies to take water out of the Thames, the more liberal we have been to them, and the greater the amount in respect of which we should be penalised as a condition of supplying ourselves.

Sir *William Marriott.*

1644. Who is "we"?—London.

Mr. *Freeman.*

1645. I think in 1852 a very important Committee sat, did it not, to whom the question of the Water Bills were referred?—Yes.

Chairman.] Are you still on Clause 6?

Mr. *Freeman.*

1646. Yes, I am still dealing with that part which relates to the circumstances under which the powers of charge have been granted by Parliament, and the reasonableness of those charges?—The Committee really was a Committee that sat for two years, in 1851 and 1852. The bulk of the evidence was given in 1851, and the whole case was more or less summed up in 1852.

1647. I think there were a considerable number of Bills referred to that Committee, were there not; various water Bills of the water companies themselves; and then there was a Government Bill

Mr. *Freeman*—continued.

Bill too?—In 1851 there were a large number of Bills. Of course the Committee are aware that the great cholera outbreak was in 1837–48, and it was immediately after that, of course, that attention was very prominently directed to the water question in London, and in 1850 there were several Bills introduced into Parliament for a competitive supply. One of those Bills proposed to bring water from Henley, and another spring water from Watford. Those Bills were introduced into Parliament in 1850. Of course there was a great deal said at the time in the House of Commons on the whole matter all of which appears in "Hansard," if one wanted to quote it, and it is very important, if one had time to go into it, as bearing on this question. The proceedings of 1850, however, really did not come to much; in fact it was understood, I think, in 1850 that the Government would deal with the matter, and so all the Bills were withdrawn.

1648. Then I think when they got before the Committee the first thing done was to consider it a Government Bill, was it not?—The Committee of 1851 had the Bills for a new supply before them, but not, I think, any question introduced by the Government. That was introduced in 1852, but there were proceedings in 1851.

1649. I thought you were going to take up the story in 1852, and not refer further to the proceedings in 1851; the matter was begun in 1851, but was not completed, and it was then resumed in 1852?—That was so. In 1852 the Government introduced a Bill, the object of which was to consolidate all the water companies; put them into one body, and subject them to various restrictions, liabilities, and obligations. The question was introduced in 1851, and it was proposed to buy all the water companies.

1650. I think a considerable amount of evidence was given by Mr. Simpson, who was then the engineer on behalf of the Lambeth and the Chelsea Companies?—Yes; Mr. Simpson's evidence throughout was very important, because he was a very eminent engineer, and well known in connection with the London water question at the time. He represented both the Lambeth Company and the Chelsea Company.

1651. I think the companies were heard at considerable length in opposition to the first clause of the Bill restricting the sources of supply?—Yes; the first clause of that Bill proposed to prevent the water companies from taking any more water at all from any of the sources from which they were then taking it.

1652. Those sources were strongly opposed by the Bill; we will take it as concisely as we can, without giving a complete account of it?—Yes. The substantial provision of the Government Bill of 1851 was to prevent any more water being taken from any of the then existing sources of the Thames. There were other things, of course, but that may be taken as being the strongest proposal. That was very much fought by the water companies, who succeeded in protracting the inquiry until it was obviously too late to close it that Session. At the end of the

Mr. *Freeman*—continued.

Session they protested against any decision being given, because they said their case was not complete, and they wished to give more evidence. It was therefore arranged that the matter should be taken up again in 1852. In 1852 the Committee consisted of Mr. William Beckett, Lord Seymour, Mr. Barrow, Mr. Ellis, and Mr. M'Cullagh; and before that Committee there were Bills by the Chelsea Company, the New River Company; a joint Bill by the New River and East London Companies; a Bill by the Lea River Trust; a Bill by the East London Waterworks Company; a Bill called the Wandle Water and Sewage Bill, the object of which was to bring in a new supply from the Wandle district; a Bill by the Southwark and Vauxhall Company; a Bill by the Grand Junction Waterworks Company; and another Bill called the London (Watford) Spring Company's Bill, the object of which was to bring in a supply of spring water from Watford. Those Bills were before the Committee of 1852, and the Committee then started by saying that they would not take any evidence in support of the Government proposal, but they would assume enough had been said about it before in the Session of 1851, and they let the companies go on at once to oppose the Government Bill.

Mr. *Balfour Browne.*

1653. I think the evidence given on that occasion was very voluminous, was it not?—It was very voluminous indeed, and I do not propose to ask the Committee to go into it all over again, but we have the volumes here; in fact, the Committee sat during the whole of 1851 and during the whole of 1852.

1654. Was it fairly well summed up in the speeches of counsel for the water companies?—I have considered how I could best really explain to the Committee, in the way of evidence, what did take place. There are a few extracts from what was contended on the part of the Government, and what was admitted on the part of the companies which really put the case quite sufficiently clearly.

1655. Have you read those?—No. Of course the companies contested very strongly the whole of the Bill. First of all, they said, or the West Middlesex Company, at all events, said, that the water which they were supplying was quite good enough. A lot of the most eminent chemists of the day gave evidence, on behalf of the companies, to the effect that the water as supplied by the companies was of the most excellent quality. There was a great deal of evidence in support of the quality of the water then, which, from a scientific point of view, was nearly conclusive; still, Parliament decided that all the existing intakes should be closed, and that the companies should go up the river and should be allowed to take water without any payment from the Thames at higher points.

[Adjourned till Tuesday, the 28th instant, at Twelve o'clock.

Tuesday, 28*th May* 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Burnie.
Mr. Christopher Furness.
Sir James Kitson.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

MR. HENRY LAWRENCE CRIPPS, re-called; and further Examined, as follows:

Mr. *Balfour Browne.*

1656. ON the last occasion of sitting we had just got to the history of what took place in the year 1851?—Yes. Perhaps I might very shortly summarise what we had done before, as I have a map here which I think may explain what I endeavoured to explain to the Committee, but which was a little complicated.

1657. That was with regard to the overlapping districts in the South of London?—Yes, it was so; in regard to the way in which Parliament had from time to time introduced competition over the whole of this area. I have here a map which perhaps I had better lay before the Committee, if they would like to see it. This map shows the original statutory power given to the Lambeth Company in 1785 in pink. That was Lambeth and the parts adjacent. The next statutory powers were in 1805, when the South London Company was incorporated and constituted by Act of Parliament in order to supply water in a large area of the South of London in which there was then no statutory company, and also the Lambeth district. But in 1805 it was provided for the protection of the Lambeth Company that one particular area, which is marked on this map with yellow cross bars, should not be within the powers of the South London Company, and that was reserved to the Lambeth Company. Then the next thing after that was 1822, when Parliament gave statutory powers to what was the original Southwark Company to supply an area which covered practically the borough of Southwark. Then matters remained until 1834. In the meantime, there had been great public dissatisfaction with the existing state of things, and it is very difficult, in giving a mere sketch of the thing, to explain what the extent of that dissatisfaction was and what it led to; but it had gone on up to 1834, when Parliament repealed the existing protection in favour of the Lambeth Company so as to authorise the South London Company to compete in the whole of South London; and Parliament also extended the powers of the Southwark Company, so that they practically became competitors also over the whole of South London; and after 1834 the result was that the Southwark Company, the South London Company, and the Lambeth Company were empowered and authorised to give a competitive supply with one another over the whole of South London.

Mr. *Balfour Browne*—continued.

1658. So that in 1834 Parliament continued to encourage competition by the repeal of the restrictions?—Yes, by direct enactment. Then in 1845, as I tried to explain to the Committee, the Southwark Company and the Vauxhall Company (being really the South London Company) were amalgamated, so that after that date Parliament empowered the Southwark and Vauxhall Company to supply over the whole of that area coloured blue, and the Lambeth Company to supply over the whole of the area coloured pink. Those two areas, as the Committee will see, are practically identical with each other. So that was the state of things after 1845 until 1848, when the Lambeth Company's old Acts were repealed, and their area re-defined; and when their area was re-defined they obtained powers to supply not only throughout the whole of both those coloured areas, but throughout certain parts besides, which were not previously within the limits of either company.

1659. That, I think, brings us down to the year 1851?—Yes.

1660. And I think you have told the Committee that in the year 1851 certain competitive Bills were introduced into Parliament?—Yes. I am afraid that in one or two of my last answers, so far as I am able to read them, either I or the shorthand writer made some errors, and I do not think the matter stands quite clear. But what happened was that in 1851 Bills were introduced, as you suggest, for the introduction of competitive supplies from new sources, and a proposal was made on the part of the Government, as it was called, to regulate the companies in this sense: that all their powers of taking water

Mr. *Balfour Browne*—continued.

water from their then intakes were proposed to be cancelled. That was the first thing. Then certain other obligations were to be imposed upon them with reference to the covering of their reservoirs and aqueducts, and other things which were not so important as the main object of the Government at that time, which was to cancel all the then existing powers of taking water.

1661. I think the competitive Bills failed in that year, and the Government measure did not pass until the year 1852?—That was so. The whole of the Session of 1851 was occupied with enquiry, the matter was not finally disposed of; and in 1852 the Bills were re-introduced.

1662. Is there anything in the proceedings of 1851 which you think it is important should be before this Committee?—Really the whole proceedings are very important, but of course they are exceedingly long. In reference to some of the cross-examination of learned counsel, it might be well to point out that in 1851 the Committee was discussing the question of how far competition was available as a means of keeping down the charges made by the companies within proper proportions. Unless counsel wish it, I do not think it is necessary to do more than refer to just one or two questions and answers, which will sufficiently show the point that I am endeavouring to make. I take the engineer of the Southwark and Vauxhall Company, for instance, who was a representative witness for the companies. First of all, counsel said: "I believe that competition was carried on through the years 1841 and 1842 with great activity." There were two sets of mains in many streets where the companies had originally competed. Then he says: "We do not compete with one another, but there is no positive line of demarcation. (*Q.*) (By the *Committee*). During the period of the competition was there any reduction in the rate to consumers?—Yes, during the period of the competition a reduction was made to the tenants." I am now reading certain questions which I will hand in afterwards, they are very few, so that you may have an opportunity of cross-examining on them. They are Questions 906, 990, 991, and from 1338 to 1344. Those involve some questions as to the extent of the benefit the consumers had got from the competition. The question was whether the reduction was as much as 20 per cent., or what it had been. The witness is asked by the Committee, "Do you know what was the reduction on the part of the Vauxhall Company before the union and during the competition?" and his reply is: "I do not; it must have been very considerable; I am not aware of the amount."

1663. At Question 1339 he was asked: "What was the extent of that reduction during the period of the competition," and he said that in some instances it was 20 per cent.?—Yes, he does. Then at Question 1551 Sir William Clay, the Chairman of the Southwark and Vauxhall Company, gave evidence of the same kind. He was asked at Question 1551, "You mean to say that the rates after the competition had ceased

Mr. *Balfour Browne*—continued.

in 1842 were increased above what they were during the years of competition?—Yes. (*Q.*) How much were they increased above what they were during the period of competition?—I do not think I can state it exactly. Whatever they were reduced to during the period of the competition they were brought back to the same extent after the competition had ceased. (*Q.*) Whether it was 20 or 25 per cent. or more you cannot tell?—I do not think it was so much." The Witness was evidently unaware of the exact extent of the reduction, and he did not give any very definite answer; but it is quite clear throughout that the effect of the statutory competition had been to reduce very considerably the charges to the consumer.

1664. As to what the measure was and whether there was uncertainty, there was no doubt about the fact that great reduction had taken place in consequence of competition?—That is so.

1665. You have some extracts from the evidence given by the engineer to the Southwark and Vauxhall Company, also by Mr. Simpson, the engineer to the Lambeth Company; do those carry it any further?—They are practically the same. I may say that copies of the proceedings of this year are very scarce, so perhaps it may be as well so to put them on the Notes, and learned counsel will have the opportunity of cross-examining upon them if they wish.

1666. That was the attitude, and that was what took place in the year 1851?—That was what took place in the year 1851. As I have already explained, those proceedings were not concluded, and they commenced again in 1852.

Mr. *Bidder*.

1667. Do I understand that you are going to give to the shorthand writer selected questions to put upon the Notes?—Yes.

Mr. *Bidder*.] I think that is a little unreasonable. Mr. Cripps is referring to certain evidence given in 1851. No one can object, of course, to his referring to and reading any evidence; but now I understand he suggests that without referring to it, or letting us know what it is, he should put in a lot of extracts which he has made, plums may I say, taken out of the large pudding of the 1851 evidence, upon the Notes, which is a totally unreasonable thing to do. Mr. Cripps also adds that it is difficult to get copies of this evidence; therefore it is the more important that any evidence in that year, which Mr. Cripps thinks ought to be brought to the attention of the Committee, and which is material, should be brought to our attention also. I have no objection to the evidence, if you like, as a whole, being treated as referred to this Committee, because then we could all use our own parts as we thought necessary.

Mr. *Balfour Browne*.

1668. I will shorten this, if you will allow me.

Mr. *Balfour Browne*—continued.

me. (To the *Witness.*) You have read some of the material extracts?—Yes.

1669. If there is anything very material that you want to put in, read that, and it will go upon the Notes. If not, we will not put them on at all.

Chairman.] I think that will be the more convenient way.

Mr. *Bidder.*] You had better only put on the Notes what you want to read.

Mr. *Balfour Browne.*

1670. It was only done with a view to shortening it. (To the *Witness.*) I think you have fairly summed it up in the way you put it; that the whole of the witnesses admitted that competition had reduced rates, and that when competition ceased the rates went up again?—Yes. I have referred to the numbers of the questions and answers, and the shorthand writer can take those.

1671. Now I will pass from that. That was the position of affairs in 1851, and we now come to 1852. There were a great many Bills that Session; some competitive Bills, some Water Company Bills, and one Government Bill, were there not?—Yes.

1672. I think the competitive Bills were to bring in a new supply of water from a distance. The Water Companies' Bills were to get new sources of supply?—That was hardly so, because the Government Bill of 1852 proposed not only to cancel the companies' existing powers, but also to impose upon them a uniform rate as regards a certain class of houses; to take away their then existing powers of rating, and make them give a uniform rate over the whole of their areas. It was also proposed (that was at a later period) to introduce a clause to compel them to extend their mains into those parts of their areas which they were authorised to supply, but did not supply, by arrangement between themselves. They had allowed, or proposed to allow, one company only to supply. What the companies had to do was to meet that case; and they proposed, rather than have all their powers cancelled, without any remedy, that some of them should go to places higher up the river, and take water from the Thames. They also proposed to ask Parliament to give them certain powers of rating. Those powers were discussed during the course of the proceedings of 1852, and it is upon what took place during that discussion that really the position of the present companies in regard to powers of charge depends.

1673. Practically when the Government Bill was introduced the alternative of the companies was to make up their minds for extinction or to get new sources of supply?—That was so. They had to face the alternative of absolute extinction or asking Parliament to allow them to take water from another source.

1674. And they naturally chose the latter alternative?—Yes.

1675. Have you carefully considered the proceedings before the Committee of 1852?—Yes.

1676. I think they opened with the consideration of the Government Bill, did they not?—Yes. It is rather peculiar that the position then was really very much the converse of what it is at present. The Government were contending that the statutory powers of competition, although they existed and were going to be preserved, would not be sufficient protection for the consumers, and therefore that the companies ought to be regulated, and their rates reduced. The companies, on the other hand, said, "Leave us where we are, let us compete. You see the great advantages of competition. If you leave us where we stand, we will undertake to continue this competition amongst ourselves; in those circumstances you need only fix a very high maximum rate, and competition will protect in the future the consumers."

Mr. *Bidder.*

1677. That is rather an important statement; would you mind referring to where the companies said that, because I think we ought to have chapter and verse for that?—I quite agree with you. I think it is, to a great extent, the essence of the case, therefore I will give you exactly, as far as I can, what took place. In 1851, to go back to 1851 for a minute, the companies were represented by——

1678. We are in 1852, and your statement is that in 1852 the companies said they would compete and keep down the prices, and you made that statement, which I am told is not altogether accurate. If you will kindly refer to any part of the proceedings of 1852 which supports your statement I should be glad; it is no use going back to 1851.

Mr. *Balfour Browne.*] He must take it in his own way. I assure you he will give the exact references on which he relies immediately.

Mr. *Bidder.*] But the statement has been made.

Chairman.] We will see that that is supported presently. Let the Witness go on in his own way.

Mr. *Balfour Browne.*

1679. We will withdraw it if we cannot support it. (To the *Witness.*) Take it in your own way?—I was asked about 1851, and I omitted at the time one particular fact about 1851, which I think Mr. Bidder would like to know—really it answers his question. In 1851, as I said before, the contest really began. The Government Bill was introduced and discussed, and the companies had not time to answer it. In 1852 the Committee took the Government Bill as at all events being *primâ facie* proved, and they called upon the companies to reply to it. It was in 1851 that this first matter was stated, and then I will tell you what was stated in 1852. Serjeant Wrangham, whom of course we all know by reputation, was conducting the case for the companies, and what he said was this: I do not propose to trouble the Committee with long extracts, but I think he summed up the whole case here. On the 12th of February 1851, Serjeant Wrangham said, "There you have the principle laid

Mr. *Balfour Browne*—continued.

laid down distinctly, so far as the opinion of the statesman whose words I am citing goes, that a supply of water ought to be left like the supply of many other articles of equal necessity, to the competition and speculation of individuals, always applying, of course, to Parliament, in the first instance, for the requisite powers to carry it into effect." That was in the speech of Serjeant Wrangham for the water companies. I believe he was nominally appearing for the Chelsea Company, whose Bill coming first, alphabetically, was the leading case; and it was on the Chelsea Bill that the whole matter was discussed. "Such is the principle which we are here to maintain before the Committee, that you can only with safety leave the management of the supply of water to the metropolis or other places to private speculation, subject always to the fear of competition if by misconduct or if by the imperfect nature of the supply public dissatisfaction is created; but subject to private competition only, and not to be invaded after they have embarked their property on the faith of Parliament, either by the control of a Government officer or a Government Board, or by subjecting them to what is called representative control." Perhaps it will save time if I read two other extracts. "Do you believe, sir, that the Lambeth Company, if they had been told that after they should have laid out their 150,000*l.*" I pause there for a moment to explain that what he was referring to was what had taken place in the case of the Lambeth Company. The Lambeth Company previous to 1848 had themselves alone of the water companies adopted the step of going up the Thames and seeking for a supply higher up; and the whole argument here was that it was the competition which had made the Lambeth Company do that, and that that showed how the competition might be relied upon. "Do you believe, sir, that the Lambeth Company, if they had been told that after they should have laid out their 150,000*l.* they would be immediately consolidated with their neighbouring and competing company (the Southwark and Vauxhall Company), in competition with whom, and for the purpose of competition with whom, in all probability, this additional supply at this great expense had been secured by the Lambeth Company—do you think if they had been told, No sooner have you obtained this supply, no sooner shall you be on the point of reaping the fruits and the fair profits arising from your enterprising spirit, by bringing that water to the market in the district which you are seeking to supply, than a Bill shall be introduced at the instance of Her Majesty's Secretary of State for the purpose of consolidating you with the very rival who, having taken no part in the expense, having taken no part in the risk, is just as likely to suffer in the race of competition as you were before, when you had water worse than he had—do you believe if that had been so, the Lambeth Company would have been mad enough to lay out 150,000*l.*, or anything like it, for the purpose of the public accommodation? When are you to look for the real and just principle upon which supply and demand can settle their own level, and where the real wants of the community are sure to find persons willing and ready to minister to them? Where, but in the principle sanctioned, I venture to say, by continued experience, supported as I have shown you by the opinions of the greatest and wisest amongst us. You can safely leave the supply of this matter only in the hands where you find it. You may always trust a private enterprise." I read that because Serjeant Wrangham, on behalf of the companies, was there asking the Committee to reject the Government proposals on the ground that the only real way to deal with the matter was, the company suggested, to trust to the fear of competition.

1680. Then, so far as your statement is concerned, you think those passages justify what you have said?—Yes, as regards 1851.

1681. In 1852, is there anything in the speech of Mr. James, who appeared for the Government Bill in that year, which you want to call attention to?—Mr. James, who appeared for the Government, referred to the matter in these words—this is on the 2nd of April——

Mr. *Bidder.*] I do not quite understand how a statement made by counsel for the Government is evidence against the companies, or is evidence of the position which they assumed. Mr. Cripps may be quite in order in supporting his statement by quoting from the speeches of counsel for the companies, but I fail to follow this.

Chairman.] I think it is only the narrative of these transactions.

Mr. *Balfour Browne.*

1682. It certainly would not be evidence against the companies, and we do not put it in that way; but it shows what was in the minds of everybody at that time, that competition was being relied on. (To the *Witness.*) Is not that what you are quoting it for?—That is really all. I will only read one sentence: "And when we hear a great deal, as we have heard from Mr. Serjeant Wrangham, about his admiration of the system of competition, and trusting that they will have competition, it is probable that they will." I refer to that as showing that it was the intention of the Government that the statutory power of competition should continue, whatever might happen, because we are here asking this Committee to direct the arbitrator in the present case to have regard to the statutory power of competition as it now exists at this date.

1683. And I see that further on he says, Mr. Serjeant Wrangham, representing the New River Company, was trusting that there would be competition, and the probability is they would be indulged with competition; showing that even in the Regulation Bill the Government did not suppose that they were putting an end to competition?—Yes; and Mr. James referred to the fact that if the companies went on as they were then contending, then, of course, it was quite possible that one or other of the competitive schemes then before that very Committee might ultimately be passed.

1684. But, as my learned friend says, of course

Mr. *Balfour Browne*—continued.

course that is not such good against the companies as would fall from their own company; and I see that Mr. Keating (afterwards Mr. Justice Keating), who was acting for the Lambeth Company at that time, used some expressions which justify your statement?—Yes, of course it is important, because it shows the position of the very company which we are now dealing with. The proposal of the Government with which Mr. Keating was dealing was the proposal that the Lambeth Company's rate should be reduced; and what Mr. Keating says is, "It is worthy of remark that a large portion of our district is subject to competition. I need not say that we do not fear any competition. The Southwark and Vauxhall Company are about to apply for a Bill; they will have the advantage of introducing all the improvements which may be suggested, but we fearlessly invite competition of every kind or description." They were, of course, obliged to put it high, or they might have had all their rates compulsorily cut down then and there, "with our reservoirs in their present state, we are not afraid of competition as to the quality of our water by any one of the companies. Under these circumstances, apologising for detaining the Committee longer upon the clause than I may perhaps have been justified in doing, I shall call before you witnesses who will prove that which I have suggested to you, whose evidence will, I hope, when you have heard it, induce you to exclude the Lambeth Company from the operation of this clause, or confine your legislation to the Bills of each of the companies, not including a clause of this description, with regard to all the companies whose circumstances so greatly vary, or drawing a line round St. Paul's by a general Bill applicable to them all." Mr. Keating succeeded on behalf of the Lambeth Company on that pledge. He made that statement, and the consequence was that at the end of the proceedings the clause as affecting the Lambeth Company was rejected.

1685. I daresay that pledge did affect the matter; but I think that the speech you have just quoted was not exactly upon the reduction of charges clauses, but upon a clause compelling them to cover the reservoirs?—I beg your pardon; that was so: it was on one of the regulating clauses; but the same argument really applied throughout the whole of the case. It was against Clause 2 of the Bill that those observations were made.

1686. There was a clause proposed to be enforced on the companies to make them supply the whole of their districts; was not that one of their proposals?—That was another of the proposals of the Government, to compel the companies to extend their mains throughout the whole of their districts. The great grievance had been that the companies having applied to Parliament for power of combination, and having been invariably refused, had made these arrangements behind the back of Parliament, which had the effect of depriving the consumer of the benefit of that competition which Parliament had enacted for his benefit.

Mr. *Bidder.*] Would you, before you go further, clear up one point? You quoted from Mr. Keating's speech with reference to fearlessly challenging competition. Was not that with regard to the quality of their water? You said it was a question of whether they ought to be compelled to cover up their reservoirs to keep impurities out of the water, which makes all the difference.

Mr. *Balfour Browne.*] Mr. Keating used the words: "I need not say that we do not fear any competition." Then further on he says: "With our reservoirs in their present state we are not afraid of competition as to the quality of our water by any one of the companies," and those words were read by Mr. Cripps.

Witness.] He began by saying that he did not fear any competition. The real question was whether the consumer should be bound to take bad water at a high price or good water at a lower price; and the questions of price or quality were inextricably mixed up together, as everything, in fact, was in this case; it was all treated as a whole.

1687. We have dealt with the clause which was sought to be put on the companies to make them supply the whole of their district?—Yes.

1688. If that had been done, taking the Lambeth and the Southwark Companies, they would both have been supplying over the whole of their areas practically?—I doubt that; I think that the practical result would have been that the rates over the whole area must have been reduced to the Southwark and Vauxhall rates, except as regards the West Middlesex area, where the rates would have been much further reduced, down to the West Middlesex rates.

1689. That would be so; but, as a fact, if they had been compelled by that clause to supply over the whole area, then if I had been living in an area which was covered by both the Southwark and Vauxhall and the Lambeth Companies, I should have had three companies' water?—Yes, but the real objection to that particular form of enactment was, that it would have enabled, as far as I read the clause, any consumer, practically, out of mere caprice, to have called upon three different companies to put down mains in the same street.

1690. And that would have been not voluntary competition, but it would have compelled the companies to compete?—It would have compelled the companies to compete.

1691. Tell us what took place upon the discussion of that clause?—There again I do not propose to read all the speech; it is rather long, and I think you have summarised it; but Lord Seymour, who was on the Committee, asked this question: "The new districts will be newly arranged by the new Bills, will they not?—(Mr. *James*): Yes." Then Mr. Serjeant Wrangham says: "They do not alter their existing jurisdiction. (*Chairman*): You do not mean to alter the limits of the districts which you now have." Of course that is what the companies wished to do, and felt that they could not; and Mr. Serjeant Wrangham says, "No, sir, we have difficulties

Mr. *Balfour Browne*—continued.

difficulties enough to contend with here from the Government, and if we began to define the districts in our separate Bills, the Committee may imagine the sort of confusion that would arise with an enemy at the gates. (*Chairman*): I suppose Kensington will again have four companies which which might possibly supply it. (Mr. Serjeant *Wrangham*): Kensington might call upon four companies to come and supply it, and a very small portion of it, too. (*Chairman*): You are not going to take away any of the competition which at present exists?" There, you see, the Chairman directly asks the companies whether they were intending in their scheme of 1852 to take away any of the competition which existed.

1692. And he is answered in the negative by Mr. Serjeant Wrangham?—He is answered in the negative by Mr. Serjeant Wrangham, and he explains what the Government were proposing in this way: He does not object to competition, but he says, what you are now proposing is competition by compulsion. "We have heard of competition for the sake of rivalry, but here we are compelled to fight to see which is the best man of the two, when neither of them has much stomach for the combat."

1693. And I see he uses the very words: "This is competition by compulsion"?—Yes. "This is competition by compulsion."

1694. And that was what they desired to avoid; they wanted to continue the existing competition which was, as I understand, according to them, free competition?—Yes, and at this point we get to what is important with reference to another part of this Bill. Serjeant Wrangham stated to the Committee on behalf of the companies, that they would be subject to the Waterworks Clauses Act. The Waterworks Clauses Act does provide, that subject to certain conditions, the consumers may call upon the companies to lay down their mains and supply water; and Serjeant Wrangham stated in dealing with this matter (I am now going to a further paragraph from the same speech): "Then it is said there is the Waterworks Clauses Act; and there is a clause in that Act which compels every company, under certain conditions, to supply water to those who require it within the limits of their Acts of Parliament. Surely one observation arises, if that be so, that as we are about to incorporate the Waterworks Clauses Act in our Bills, there can be no necessity for specifying districts, and introducing this stringent clause into the Bill; Clause 18 of the Waterworks Clauses Act already doing what this professes more explicitly, more rigidly to do. Just consider what the Waterworks Clauses Act is. I am quite sure that what I am about to say will be assented to by honourable Members. The Waterworks Clauses Act was drawn up upon the hypothesis that the district with which they were dealing was supplied by one company only, and accordingly it is rendered imperative upon the companies having the power to supply to give the supply when it is demanded, upon certain terms; but be that as it may, if we are

Mr. *Balfour Browne*—continued.

compelled to do it by the Waterworks Clauses Act, we must take our chance; but where is the necessity for this new legislation upon the subject?" Then he explains what the course of procedure would be under the Waterworks Clauses Act.

Mr. *Bidder.*

1695. I think there must be some confusion here. Clause 18 of the Waterworks Clauses Act refers to mines?—Yes, I know. It is not Clause 18, it is Clause 35 really.

Mr. *Balfour Browne.*

1696. It is a mistake of the learned Serjeant's; it is Clause 35?—It is quite clear, if you read on, which clause it is that he is referring to.

1697. In another passage, immediately after, he says "It is not concealed that the Waterworks Clauses Act contains a clause such as my learned friend has stated"; and he had stated the effect of the Clause 35. "We must, in incorporating that Act with our own, take the chances of that clause." Those are his words?—Yes. Of course Mr. Bidder is aware, and I daresay he will ask me about that in due course, that there was an abolition at a subsequent period in this Act, which we are seeking to remedy by a clause in this Bill; and I am only referring to these points as I come to them to show that it was one of the suggestions made on the part of the companies at the time when they were trying to get rid of those rating clauses. This clause about compulsory supply was one of the suggestions made—that as we are bound to incorporate the Waterworks Clauses Act in our Bill there can be no necessity for introducing this stringent clause into the Bill.

1698. We shall have to show how that clause was repealed in the company's Bill; but at this juncture they were relying upon it as doing all that was necessary without the clause compelling the companies to compete in each other's districts?—Yes, they are here opposing the company's scheme.

1699. Then there is another paragraph which I believe you wish to read: "What ground can there be for treating us differently from other companies throughout England? If the Waterworks Clauses Consolidation Act is good for Birmingham, or Leeds, or Manchester, why should it not be good for London? To that we are ready to submit"?—That is so.

1700. On the 26th of April, I think, there was an intimation by the Chairman?—Yes. On the 26th of April 1852, the Committee practically rejected the worst of the clauses which had been proposed on the part of the Government—the worst, I mean, as affecting the water companies. After all these undertakings, as I call them, had been given on behalf of the companies by their counsel, the Committee rejected certain of the clauses which had been proposed by the Government. Then the next thing that was taken up was really the rating question. We are getting now to that portion of our Bill in which we

Mr. *Balfour Browne*—continued.

propose that the arbitrator should not forget the circumstances under which the existing powers of charging were given by Parliament to the companies.

1701. That is to say, it is paragraph 5 of Section 6. "The legality of the charges now made or claimed to be made by the Southwark and Vauxhall Company" (or the Lambeth Company, it does not matter which) "and the reasonableness of such charges having regard to the circumstances under which the powers of charge have been granted by Parliament"?—Yes.

1702. As I understand, that is a direction to the arbitrator to consider the circumstances; but he is perfectly entitled to act in any way he likes after having considered them?—Yes; we suggest that he should not be bound by the express terms of the Act of Parliament, but that he should really see and understand what was the pledge given by the companies to Parliament, in return for which they got their present position.

1703. As I understand, without such a direction no arbitrator could consider this matter at all?—I think that Mr. Bidder would argue very strongly against it if in a present arbitration we suggested that the circumstances of 1852 ought to be taken into consideration.

1704. Do you think that it is fair that those circumstances should be before the arbitrator when he considers the value of these works?—Yes; the contention of the Council is that a distinct pledge was given to Parliament by the companies in 1852, which they have not fulfilled.

1705. And under those circumstances it is fair that he should have an opportunity of considering that?—Yes.

1706. And all that you ask this Committee or Parliament to do is to direct that he does it?—Yes, that he shall have regard to it.

1707. The next matter we want to deal with is the question of the rates that were put upon the companies in the year 1852?—Yes.

1708. I think there was a proposal on the part of the Government to make a uniform rate throughout the whole of London?—I can only tell from what I am able to gather from the evidence and proceedings, what the proposal was, and I am not quite certain what it was; but it is quite obvious from the argument that the proposal was, that at all events as regards certain properties (possibly not as regards all houses) and within a certain area there should be a uniform scale of rating. At present, as the Committee are aware, taking this particular district, the West Middlesex Company coming in as a competitive company, have only a very low scale of charges.

Chairman.] Might I ask if we are still on Clause 6?

Mr. *Balfour Browne.*] Yes, sir.

Chairman.] Which part of it?

Mr. *Balfour Browne.*] "The reasonableness of such charges having regard to the circumstances under which the powers of charge have been granted."

Sir *James Kitson.*] From whom did the proposal for uniform charges emanate; who made the proposal?

The *Witness.*] The Government.

1709. When you say the Government do you mean some department of the Government?—The Bill was under the charge, I think, of the First Commissioner of Works at the time.

1710. It would be rather interesting to know accurately who made the proposal?

Mr. *Balfour Browne.*] Apparently, sir, at that particular juncture it was a Government measure introduced by a Member of the Government. The Government appeared by counsel in the room and argued the matter by means of counsel, and apparently they were proposing to have a uniform rate over the whole of London.

Mr. *Bidder.*] I think that is a mistake; I think it was a uniform system. I am told that at that time some of the water companies charged according to the number of windows in a house, or something of that kind.

Mr. *Balfour Browne.*] I should not wonder at anything unreasonable on their parts.

Sir *Stafford Northcote.*] Have you a copy of the 1852 Bill as introduced?

Mr. *Balfour Browne.*] I do not think we have.

Chairman.] You will probably find in the opening statement of the counsel in that case on behalf of what department he appeared, or by what department he was instructed. It would be very interesting, as Sir James Kitson says, to know that.

The *Witness.*] Really, the position was this. Perhaps my knowledge of history ought to be a little more accurate, but either in 1851 or 1852 there was a change of Government—1852, I think it was. In 1851 the Bill had been introduced by the Government, and was in a certain form. It was taken up again in 1852 in the same form, but owing to the change of Government, although the general policy of the previous administration was followed, there were certain new proposals made. Clauses were prepared and put before the Committee of 1852 which were not in the original Bill; and that, I think, is the reason why there does not appear to be a copy of this clause upon the authentic records. It is referred to and discussed; but the clauses of 1852 (there were 48 of them, by the way) were introduced as manuscript clauses and proposed to be added to the Bill. I see that the argument against the clauses was to a great extent of a technical character. It was said that clauses of such importance ought not to be introduced into the Bill as mere amendments by the Committee, but that they ought to have been either introduced into the Bill before it was read a second time, or upon petition for additional provision.

Mr. *Balfour Browne.*

1711. Who was it that introduced the Bill?—Lord Seymour.

Mr. *Balfour Browne*—continued.

1712. Mr. James, who appeared for the Government I see, says this: "Sir, I need hardly state to you that the object which the present Government has in view in promoting this Bill is entirely a public one. The sole motive which induced the noble Lord as a member of the late Government to bring in this Bill which has been adopted generally in its terms by Her Majesty's advisers, was, of course, a public one, with a view of affording a vast number of inhabitants of the metropolis a better supply of water in larger quantities and at a more moderate rate than at present." (To the *Witness.*) Passing from the statement in opening, the uniform rate was argued against by some of the counsel representing the companies, was it not?—Yes. If before I answer that question you will allow me, I think I can now give the information which the honourable Chairman asked for. Lord Seymour, as appears from the report in Hansard of 6th February 1852, volume 119, page 215, who was then First Commissioner of Works, moved for leave to introduce the Bill, and he dealt with the policy of Lord John Russell with regard to London water administration. It was very fully discussed in the House of Commons at that date.

Chairman.

1713. I think that answers the question; you need not go further into that?—Then on the change of Government it was taken up by Lord John Manners.

Mr. *Balfour Browne.*

1714. In inquiry against a uniform rate did the companies represent to Parliament that their maximum rate was not one which they were going to charge in all cases, but merely in particular cases, and under certain circumstances?—Yes, they did.

1715. Will you substantiate that by reading some of the words of the speech of Serjeant Wrangham?—I think (although I can summarise this speech) if the Committee think it of sufficient importance, as it seems to me it is, I should put this speech on the Notes, because it does contain directly what you suggest. But just to deal with it for the purposes of to-day, I will say that Serjeant Wrangham, in opening the Bill of the Chelsea Company as regards the question of rates (and in dealing with the Bill of the Chelsea Company he was dealing with the case of the companies altogether), said, "We now go, sir, to the question of rates, which is in Clause 50. With reference to that clause perhaps the Committee will permit me to make a few observations which, I trust, may be of service to them upon the general principle of rating for water companies. There was a proposition in the Bill promoted by my learned friend, Mr. James, for introducing a uniform rate; that is, for compelling all the companies to collect the same rates, and each to levy a uniform rate throughout the limits of its own district, so that everyone would pay a uniform rate." That answers Mr. Bidder's question.

Mr. *Balfour Browne*—continued.

1716. That is their own description of it?—Their own description. "It was intended by my learned friends to impose a uniform scale of rates upon all the companies, that is to compel the New River Company and the Chelsea Water Company to levy the same rate and to compel each of them to abide by the uniform rate throughout the whole of its own district. I ought, in justice to the author or authors of the Bill, as it came before the Committee, to say that that was not any part of the original Bill that passed the Second Reading, but it was part of the supplemental Bill which the Committee disposed of." I may interpose to say that the clause at this date had been already rejected by the Committee, and Serjeant Wrangham is only now referring to it in justification of his own proposal about taking the maximum power of charging. "The Committee will not expect many observations from me to satisfy them that it would be completely out of the question." I need not read the next part; but Serjeant Wrangham refers to the obvious difficulties about imposing a uniform rate over the whole of London, having regard to the difficulties of level, and the difficulties of rating and one thing and another. "All those matters," he says, "would make it impossible to levy a uniform rate among the companies."

Chairman.

1717. I think you might as well read it; it will not take long?—Very well, sir. "There are a thousand incidents which must compel these companies as commercial companies, in dealing fairly with the public, to levy a different scale of rates; for instance, the expense of obtaining the article which they sell, the water, must necessarily have a great influence upon what rate they receive for it. Dealing with it as a matter of trade, of course, if they purchase dear, they cannot afford to sell so cheap as their neighbours, who purchase at a much less price. That must be one incident which must necessarily differ the scale of rating, as between companies obtaining water from a different source and at a different cost. Another circumstance would be (which, indeed, would not only apply to the companies *inter se*, but to each company within the limits of its own district), that there might be great differences of level in the district. It would be very hard upon the man upon a flat who could be served at much less cost by the company to pay the same as the gentleman who has the benefit of the fresh air and the fairer prospect upon the summit, it being a much greater cost to the company to send water upstairs than to supply it on the ground floor. All those matters therefore would make it impossible to levy a uniform rate as among the companies; and even supposing it were possible to levy a uniform rate throughout the district of any one company, I will proceed to show you that it is absolutely impossible to have a fixed unbending scale of rates by any company, whether that rate be leviable upon the annual value of the house as a percentage, or whether it be levied, as it is by some of the companies, according to the number of rooms in

Chairman—continued.

the house, the truth of the matter being that there is no possible escape in the interest, either of the company or the public, from this principle; and this is the only thing which can be specified, that you must have a maximum rate, as the only thing which is fair, in some particular instances, and you must leave in the hands of the company a discretion to recede from that maximum rate as the circumstances that justify it diminish. I know, sir, that will appear to be leaving a large discretion in the hands of the company; I am quite aware of that, but I think the Committee will see that it is absolutely inevitable. That is the principle upon which the companies have always proceeded hitherto, and the test of the moderation with which we have used that discretion with reference to the public is this, and it is certainly a most remarkable fact in the history of Parliamentary Committees and the conduct of private Bills, that there is not, after all the public interest which has been excited upon the subject of the water supply of the metropolis, after all the discussions in Parliament, after all the agitation out of doors, after all that the reports of the Board of Health, after all that Mr. Tabberner and Mr. Freebody and Mr. Chadwick could do, and more than all, after all the tremendous articles upon the subject with which we have been treated from time to time by the 'Times' newspaper, there is not one single petition upon your table against any one of these private Bills signed by a single ratepayer complaining of the rate which he is called upon to pay." Of course, Serjeant Wrangham made the most of that; but I suppose the ratepayers were relying upon the Government to protect their interests.

Mr. *Bidder.*

1718. What year are we on now?—1852. Then he says there were no complaints against the companies. "There were two or three cases suggested of the New River Company having refused to return or to abate the charge upon the landlord, where the landlord had not received the rent from his tenant, and both these were disproved."

1719. I do not think it is necessary to read it all, but I think that that shows the contention against a uniform rate. But I find all through the speech that there are assertions that the maximum rate is to be a flexible rate—a rate which is to be modified and which is to be receded from?—Perhaps I had better read these short passages, which do seem to me to be relevant; there are not many more: "Some of the companies take their maximum rate according to the annual value of the house; some of them according to the number of rooms, but all of them treated as a maximum rate, as a flexible rate, as a rate which is to be modified according to the particular circumstances. The question is whether that is not necessary; if it be necessary clearly you must leave a discretion to the company." I then omit a part of the speech, which is not very important. "Therefore you must fix the maximum upon the principle of taking the highest rate which is fairly leviable by the company in any part of their district. Then we

Mr. *Bidder*—continued.

know, sir, moreover, that many mercantile situations vary enormously in value, though the premises may be of the same size. Houses which would pay 80*l.* in one situation, used for commercial purposes, would pay 700*l.* or 800*l.* at Charing Cross or in the Strand or in any of the great thoroughfares." "It would follow in such a case that there would be a discretion for the reduction of the rate in other cases, and I think you will hear from Mr. Simpson, who has managed the affairs of the Chelsea Company, sufficient grounds to show you that the only party who can exercise a discretion as to the receding and the extent of the receding from the maximum rate in particular cases must be the company through their officers."

1720. I see there are still further passages, but they bear out the same contention, that the counsel for the companies lead Parliament to understand that these rates were not always to be charged up to the maximum, but that they were flexible, and to be treated merely as something that they were not to go beyond?—Yes. It is perhaps worth observing that the phrase which Serjeant Wrangham used bears obvious marks of very careful consideration, because it is not only quoted by himself, but it is referred to by the witnesses in the same terms. He says: "The maximum rate would be receded from in the majority probably of instances." That was the way Serjeant Wrangham put it first of all; and then he asks Mr. James Simpson a question. Mr. Simpson, in 1852, at Question 2243, is asked, "You expect, as I understand you, that the rate which is put into the Chelsea Bill will be the actual rate which you will use?" and the answer is: "Not in all cases; it will be the maximum; we shall be obliged to recede and take a lower rate in some of the poorer districts." I might read now Mr. Simpson's own statements: "The maximum rate is to apply to a minority of instances." "It is not the intention that this maximum rate should arise in every instance." That is Question 2532; and Question 2536 is: "The very principle of this clause is that it should not be carried out rigidly." Mr. Thomas Hawksley, at Question 8749, says this——

Chairman.

1721. Whom did he appear for?—For the companies. He says: "In point of fact, the maximum rate which is settled by Act of Parliament, is never, practically speaking, realised by the company."

Mr. *Balfour Browne.*

1722. Does that conclude the extracts which you think important upon that point?—There is only one sentence that I propose to add to them, and that is from Serjeant Wrangham's concluding speech in reply; I have given you what he said in opening; I have given you the evidence, and in reply he said this, "Perhaps, sir, upon the rating clause the Committee will permit me to say a few words, in reference to the scale of rates which we propose. In opening the case of rates, I ventured to throw out what the Committee must have been pretty well satisfied of in the course of the inquiry, that an inflexible

rate

Mr. *Balfour Browne*—continued.

rate would not do; that you cannot impose upon all property of equal value the same amount of payment for water rate, because the amount of supply may differ so much under varying circumstances. That, I think, therefore, I may almost assume as being a principle which will be adopted by the committee. Then comes the next question, is a maximum rating having reference to the annual value of the premises correct in certain extreme cases, but to be receded from in the majority probably of instances, a reasonable mode of rating property to a payment for a supply of water?" He there repeats what he had said in opening, and the evidence which he got from the water company's witness almost in the same terms in which it was given by the witness. That is on the 4th May, 1852.

1723. As I understand, you gather from that that it was upon these distinct pledges that the companies got the maximum powers they have?—Yes.

1724. Distinct pledges that these rates were not to be charged in all instances, and also a distinct pledge that there was to be free competition?—Yes. You see the pledge was that it should be a maximum rating in certain extreme cases, but to be receded from in the majority probably of instances.

1725. If since that date they have forgotten all about their pledges, and have charged their absolute maximum, do you think that they should be paid upon the basis of their absolute maximum, or do you think that the arbitrator should consider their pledges?—I think that the arbitrator should consider whether he is to assume that an income derived from charging the maximum rate in all cases is one which he ought fairly to take into consideration, or whether he ought not on the other hand to give effect to the pledge given by the companies, and treat the statutory maximum income which these companies might levy as resulting from a rate which ought to be receded from in the majority probably of instances.

1726. Supposing these Purchase Bills out of the way altogether, do you think there would be a reasonable probability of a public authority promoting a Bill to say: you have forgotten your pledges, you are charging up to your maximum, and we ask Parliament to alter your maximum, and prevent your charging such high rates?—Certainly, that is a point which has been very strongly pressed on the London County Council, even now, as a preliminary to a purchase.

1727. If that were done, of course that would limit the value of the undertakings?—Of course it would.

Mr. *Bidder.*] If it were done, and if Parliament passed it.

Mr. *Balfour Browne.*

1728. I said done by Parliament. I quite agree that it must be passed by Parliament. (To the *Witness.*) Do you think it is at all improbable that Parliament would have regard to the pledges so given?—Supposing, for instance, these Bills were rejected, and we had to introduce a Regulation Bill instead in another year, of course that would be one of the main points that we should bring forward, and I hope should be able to substantiate, on a Bill of that kind.

Mr. *Bidder.*] I must ask you, sir, to consider whether Mr. Cripps is not going beyond the utmost limit of even a Parliamentary witness. He has gone into a great many matters, and now he is professing to give you expert evidence as to the probability of Parliament passing a Bill of a certain character brought before them. Surely it is beyond his province.

Mr. *Balfour Browne.*

1728*. (To the *Witness.*) May I ask you this, which is a mere question of fact: is this the instruction of the House to Sir William Harcourt's Committee: "To consider how far it may be desirable to modify the same," meaning the water rates and rents of the companies?—Yes, that was so.

1729. Under those circumstances, do you think, seeing that in our view it is possible that Parliament might modify their rates and rents, that that is a matter to be considered by the arbitrator under Clause 6?—Yes. Of course we should urge before the arbitrator that Sir William Harcourt's Committee on that reference, and after dealing with all the facts of the case, pointed out that various courses might be adopted. "It would be possible to proceed by regulation of the powers of the existing companies.

1730. So far, I think we have dealt sufficiently with the regulation so far as it went in the year 1852. There was some further regulation under the Act of 1871, was there not?—Yes, a public general Act was passed in 1871 modifying some of the proposals of the provisions of the Public General Act of 1852. The companies were placed under obligations with respect to the provision of a constant supply in 1852. Of course, that is a matter of general legislation affecting the London companies only, and thereby differentiating them from provincial companies, and that legislation was altered and extended in 1871.

1731. We have dealt sufficiently, I think, with the question of charges and the probability and the possibility of this being considered unreasonable. Will you sum up the argument or the evidence you have given, from the reports upon competition?—Serjeant Wrangham himself sums it up again on the 4th of May.

Chairman.

1732. Are we going back to 1852 now?—Yes, we are still on 1852.

Mr. *Balfour Browne.*

1733. This is the last question, I think, on 1852?—Serjeant Wrangham says: "I have no doubt the Committee will feel that the public and themselves will be very safe in the hands of a gentleman such as Mr. Simpson, it being borne in mind always that the companies are under the control, to a certain extent, of public opinion in these matters; that they are also under the con-

Mr. *Balfour Browne*—continued.

trol of that continual terror of competition, possibly arising in case their rates should be pressed too closely, and with the knowledge of this fact: that up to this time the rating has been a voluntary assessment on our part." Then, subsequently to that, Mr. Barnes again refers to the question of what he called the "quasi-dormant competition." It was quite clearly intended all through the proceedings of 1852 to maintain in the general interests of the public the powers which had been built up, during the period I have already alluded to, of competition between the various companies.

1734. Now, I think we may finally leave 1852. Do you want to add anything with regard to the legislation of 1871. You have already said it was confined to London?—I think it is important perhaps as showing, in the case of the London companies, that Parliament has over and over again not only asserted, but exercised, its absolute right to interfere with the London Water Companies by control and regulation, and by taking away or modifying some of their statutory powers.

1735. If the possibility of control and regulation were excluded from an arbitrator's purview, do you think that that would be unfair to the ratepayers of London?—Our contention is that all these circumstances are so far relevant to the value of the company's undertakings, not only the value, but the proper price which the ratepayers of London ought to be called upon to pay for them, that they should be clearly within the purview of the arbitrator; not that there should be a question as to whether or not the arbitrator was entitled to have regard to them or could have regard to them, but that it should be made quite clear that he should.

Chairman.] Do you really contend for that view?

Mr. *Balfour Browne.*] I do not quite follow the answer. What our contention, if I may make it clear, is this: that I think it is right "that he should consider," not that he is to be bound by it.

Chairman.] The effect of the answer is, as I understand it, that he is to be bound by it.

Mr. *Balfour Browne.*] I think not, sir.

Witness.] Perhaps I might explain that I did not intend the answer in exactly the sense which I think the right honourable Chairman interprets it. I may not have expressed myself quite sufficiently clearly. I think, if you follow the concluding words of my answer, it would be quite clear that the arbitrator should be entitled to have regard to these matters.

Mr. *Balfour Browne.*

1736. Let us put it perfectly clearly. If, for instance, he found that there were no pledges given (suppose that) he would then be perfectly entitled to leave it out of consideration altogether, would he not?—Certainly, according to my view. If he came to the conclusion after considering this matter, of course, much more fully than we can here, that there was no ground for our contention that a pledge was given, then he would not take the thing into account.

Mr. *Balfour Browne*—continued.

1737. Our whole desire is that there should be an opportunity of bringing all these matters before an arbitrator?—Clearly, and quite without question, that the arbitrator should be in a position to have regard to all these matters.

1738. And what we are afraid of is ——

Mr. *Bidder.*] I think you ought to ask him what he is afraid of.

Chairman.] You had better let the Witness finish his answer.

Mr. *Balfour Browne.*

1739. If the arbitrator would not be in a position to regard these matters without an instruction, is an instruction necessary?—We think so.

1740. The Committee appear to have an idea that an arbitrator without any direction at all would be entitled, at his own will and pleasure, to take into consideration all these matters; are you advised that that is not so?—I certainly do not think that that would be so at all. Perhaps I may endeavour to explain it by an illustration. These companies say, "Our gross income is 2,000,000*l.* a year. That 2,000,000*l.* a year is obtained by charging in every instance our maximum rate." I wish to be able to submit to the arbitrator that, having regard to the circumstances of 1852, it is not fair that that 2,000,000*l.* of income should be taken as the starting point for compensation. The arbitrator should have regard to the pledges which were given in 1852; and if he thinks that they were pledges which he ought to take into consideration, then he would, no doubt, in his own mind make some deduction from that income of 2,000,000*l.*; because, according to the pledge, as I interpret it, the companies ought not to have been charging all this time 2,000,000*l.* a year, but they ought to have charged a less sum, because they undertook in 1852 to recede from their maximum rate "in the majority probably of instances."

1741. Take the simplest case of all, the legality of the charge which the company is making; our contention is that it should be fully within the power of the arbitrator to find that either the charges are legal or that they are illegal; is not that so?—Yes. May I say that I draw a complete distinction between the two points, the actual legality of the charges made and the reasonableness of making them in the circumstances of the case, even if they are legal.

1742. Quite; but I only wanted to take a very simple case to show that our contention is not to compel the arbitrator to take any view, but only to compel him to consider all the circumstances?—Yes.

1743. To prevent an objection being taken which would absolutely put an end to the evidence being heard?—As I understand the intention of the council and my instructions upon this matter, it is not designed by these enactments to fetter or bind the arbitrator, but to make it quite clear that the arbitrator has regard to these various considerations.

1744. There is just one point that I want to make perfectly clear, because I think it is in the minds of one or two members of the Committee. There

Mr. *Balfour Browne*—continued.

There are some of these matters that by admission an arbitrator, even if he were not instructed, would consider; for instance, take the simplest case, the condition and state of repairs of the reservoirs. He would consider that, whether he were instructed or not, or, at any rate, I think so. Why do you put the instruction to consider it in the clause?—May I, for the moment, answer that question by reference to the case of the West Middlesex Company which, I think, illustrates what I mean? If the West Middlesex Company contend that they may, without reference to these pledges, always charge their maximum rate, the condition of the waterworks does not matter the least in the world, because the West Middlesex Company, if they charge the maximum rate, can charge, we will assume, 200,000*l.* a year, that is their income. As a matter of fact, they cannot charge now more than 150,000*l.*, because that is enough to pay all their charges, and give them 10 per cent. upon their dividend. Now, supposing that the undertakings of the company were in such a state that an additional million were required to be spent upon the undertaking, the whole interest of that million might, under the present contention of the West Middlesex Company, come directly out of the pockets of the consumer, and not affect the West Middlesex Company by one brass farthing; because if they enforced their maximum rate throughout their whole area, they would only have to increase their rate, and by that means they would get enough additional income to pay the additional expenditure, whatever it might be, and to pay their 10 per cent. in addition. In that case the efficiency of the works from the company's point of view would not enter into consideration at all, because, however inefficient they might be, the companies would contend: "If we are allowed to go before an arbitrator under the ordinary system of the Lands Clauses Act, we shall just show that we can simply, by raising our charge, still maintain our 10 per cent. dividend."

1745. That does, to some extent, answer the question; but on a technical point, supposing they say, and my learned friend, Mr. Pember, did put that to the last witness, "No arbitrator in his senses would disregard such a matter as that"; even then, in your view, is that instruction absolutely necessary, on the principle of *expressio unius?*—I think so.

1746. That, as we were instructing him about some things, he would think it necessary to be instructed on all the matters that he was to have regard to?—Yes.

1747. Otherwise it would be argued, would it not: "You instructed him to inquire into one thing. Parliament said nothing about the other thing, and therefore Parliament did not intend him to consider the other thing"?—Yes.

1748. Under those circumstances, in your view, is every one of those instructions absolutely necessary?—I think they are all necessary.

Mr. *Balfour Browne.*] I dare say you will allow my learned friend, Mr. Worsley Taylor, to take up the matter here, Sir.

Chairman.] Certainly; how much longer will you be?

Mr. *Balfour Browne.*] I do not think there is very much more to ask.

Mr. *Worsley Taylor.*

1749. (To the *Witness.*) I think the next matter we may come to is the Royal Commission which has been already referred to, which sat in the year 1890. Will you tell the Committee what the attitude of the Council was upon that matter?—I had the conduct of the case, if it may be called a case, on the part of the Council before the Royal Commission, and I think a certain amount of misapprehension has arisen, because it seems to me to have been supposed that the London County Council put a case before the Royal Commission adverse to the water companies, and that that was the issue; but that was not so at all. My instructions were not to make out, or attempt to make out, any case on the part of the Council one way or the other. The Council had begun their investigations into this matter, and had had reports made to them by their engineers and other officers, but they had not adopted them, and had come to no definite conclusion; and they regarded the Royal Commission as a Commission which would elicit information and take evidence upon all matters connected with the quantity and quality of the water. From the outset I was instructed on behalf of the Council to offer to the Royal Commission all the facilities which I could, and to lay before them all the evidence and reports and so on which the Council possessed on the matter, and there to leave it. So that the Council on the one hand made no case at all against the existing water companies, and the water companies on the other hand made a very strong case in their own favour. That was the position. The Council regarded the inquiry of the Commission as one for the purpose of eliciting information. Their attitude was very clearly explained in the memorandum which was handed into the Royal Commission.

1750. Was that memorandum handed in by Mr. Dickinson?—It was.

Chairman.] I think it was suggested by one of the learned counsel that this Royal Commission was asked for by the London County Council; how far is that the fact?

Mr. *Worsley Taylor.*

1751. I think it was asked for by a letter, was it not?—Yes; the position was this—perhaps it would be desirable that I should just explain it. The London County Council obtained power to expend money under one of their special Acts in investigating this water question preparatory to dealing with it. They found that their powers were not sufficient to enable them to get any information to assist them to deal with it—all the information of course was in the hands of our friends opposite. We asked the water companies for information, and, perhaps very naturally, they refused it; we asked to be allowed to inspect their works, and that they did not like; so the course adopted by the Council was this: Sir John Lubbock, as Chairman, wrote a letter to the Government pointing out the difficulty, and asking for the appointment of a Royal Commission. I am not sure whether

Mr. *Worsley Taylor*—continued.

the letter has been put on the Notes. I do not think it has. The letter was as follows——

Chairman.

1752. Will you read the part which answers the question of how far it was at the instance of the London County Council?—"That inquiry, which has been commenced, has already convinced the Council that there are strong *primâ facie* grounds for the belief that the Thames district will not long suffice for the needs of the rapidly growing population, and that an additional supply will soon be imperatively required. The Council, however, has no power to call upon the water companies or other independent bodies or persons to assist it in the inquiry, and any conclusions to which it comes will not necessarily be adopted either by such bodies or by the public. The Council has, therefore, come to the conclusion that in order to make such an inquiry complete and satisfactory it is desirable that it should be undertaken under the direction and with the aid of Her Majesty's Government. The object of this letter is, therefore, to request Her Majesty's Government, in accordance with the unanimous resolution of the Council, to institute an inquiry whether the present sources of supply of water are adequate in quantity and quality to the growing demands of the population, and whether any, and, if any, what steps should be taken to provide a better supply. I am to add that, under the circumstances, the Council is anxious that no time should be lost, and has therefore expressed a hope that the inquiry which the Government is asked to institute may result in the presentation of a report before the close of the present Session."

Mr. *Bidder.*

1753. You did not give us the date of that letter?—It is the 12th of December 1890. "I send for your information a copy of a memorandum laid before the Council by the Vice-Chairman, Sir Thomas Farrer, and of a report of the chief engineer of the Council, both of which contain statements and reasons which it is believed will be found on perusal to justify the course which the Council asks the Government to take. Should your Lordship be of opinion that a conference with a few of the members of the Council would assist you," and so on.

Mr. *Worsley Taylor.*

1754. That was the request of the Council. Now I think it will perhaps be convenient, after that, if you were to refer to the Reference to the Royal Commission. Will you read the actual terms of the Reference?—The terms of the Reference were these: "Whereas we have deemed it expedient that a Commission should forthwith issue to inquire whether, taking into consideration the growth of the population of the metropolis and the districts within the metropolitan water companies, and also the needs of the localities not supplied by any metropolitan water company, but within the watersheds of the Thames and the Lea, the present sources of supply of those companies are adequate in quantity and quality, and, if inadequate, whether

Mr. *Worsley Taylor*—continued.

such supply as may be required can be obtained within the watersheds referred to, having due regard to the claims of the districts outside the metropolis but within those watersheds, or will have to be obtained outside the watersheds of the Thames and the Lea."

1755. You have read now the letter requesting the appointment of a Royal Commission and the actual terms of reference?—Yes.

1756. There is rather an important distinction to be drawn between the two; and I think that is brought out clearly enough by a report of your Water Committee presented to the Council, which I shall have to ask you to read, and I think it will be most convenient to refer to it now.

Mr. *Bidder.*] Will you give us the date?

Mr. *Worsley Taylor.*] Yes; it is the 12th of February 1895.

Witness.] I may perhaps say that in the ordinary course of evidence this report would have been more naturally given by the Chairman of the Water Committee of the Council, who has had charge of this matter during the last three years; but perhaps it would be convenient, as it is only a report, that it should be put on the Notes.

1757. You mean Mr. Bassett Hopkins, whom we had proposed to call first?—Yes. This report, which was made by the Water Committee on the 1st of February to the Council, sums up the whole matter—that is to say, the views of the Council on the Report of the Royal Commission after they had had it under consideration for some time: "The Report of the recent Royal Commission on the Water Supply of the Metropolis has now been in the hands of the Council for more than a year. We have been engaged in considering this report, together with the evidence laid before the Commission and the Appendices to the Report and Evidence." Then they refer to the reports which they had had, and go on: "We acknowledge the great importance to London of the evidence collected by the Royal Commission. But we do not consider that the main suggestions of the report are likely to afford a final and satisfactory settlement of the London water question, and we propose to state some of the reasons which led us to this conclusion. The reports and memorandum already mentioned call attention to the limited nature of the reference to the Royal Commission. They were to inquire," and then they set out the terms of reference: "Those terms of reference practically limited the commissioners to the question whether further utilisation of the present sources formed a possible solution of the difficulty, and precluded them from going on to inquire whether that was the best possible solution. The Commission could not and did not inquire (1) whether a supply could be obtained outside the present source which would be (a) better in quality than the present supply; and (b) more likely to remain free from deterioration in the future. Nor (2) whether such supply would be more ample in quantity than the present source could afford, and so capable of sufficing for a longer period of years. Nor (3) as

Mr. *Worsley Taylor*—continued.

(3) as to the relative cost of the two sources. Nor (4) as to the possible sources outside, and the probability of their being occupied by other towns if London delayed. The terms of reference, therefore, excluded the vital question, whether, having regard to the whole of these important considerations, it would be wiser to adhere to and develop the existing sources or to go outside or to adopt to some extent a combination of the two methods of supply. The subject of the reference was of such magnitude that it was possibly well that the enquiry should have been limited as indicated, and those who framed the reference to the Commission, no doubt, had in view that it would rest with the people of London, or their elected representatives, to decide, having regard to the facts elicited by the Commission, what course would be ultimately taken."

1758. I think we need not read more at present. Do those passages, which you have read from that report, bring out the distinction between the letter of Sir John Lubbock and the actual terms of reference?—Yes; but they go a little further even than that, because I do not think Sir John Lubbock's letter quite asked that a Commission should be appointed having such a large field of enquiry as that which is suggested in the report.

1759. The whole of that report will go on the notes of course—it has not been yet put on?—No, the water companies have it before them. —(*The Report was handed in*, vide Appendix).

1760. The rest is largely if not exclusively engineering, as to which you are not responsible? —That is so.

1761. I will ask you to call attention to the summary at the end which begins: "For the foregoing reasons we ask the council to pass the following resolutions?—The resolutions are these: "(1) That the council is of opinion that the scheme for a system of storage reservoirs, presented to the Royal Commission on water supply by the water companies, coupled with the proposal to abstract large additional quantities of water from the rivers is not the proper method of meeting the future wants of London."

Mr. *Bidder*.

1762. What are you reading from now?—I am reading from the Report of the Water Committee of the Council, dated the 1st of February 1895, which was adopted by the London County Council on the 12th of February. Recommendation No. 2 is, "That any further capital expenditure on works in the Thames and Lea valleys for the supply of London should be regarded as of a temporary character, and should be restricted to such improvements as may be for the time indispensible." And (3) as "That the true solution of the problem is the obtaining of the necessary additional supplies from a purer source, and that accordingly the water Committee be instructed to proceed with the preparation of a scheme to be presented for the consideration of the Council as soon as possible with a view to application to Parliament for the necessary powers."

1763. I think that is all I need ask you upon that matter. Now I want to refer shortly to one or two points which have been referred to incidentally in cross-examination. It has been suggested that it would be advisable to have, instead of the Council (with, of course, the assistance of the City), something in the nature of a trust or commission. Will you give the Committee your view upon that matter.

Chairman.] But we decided that we would not go into that.

Mr. *Worsley Taylor*.

1764. Very well, Sir (To the *Witness.*). Then another question which was raised was as to why you have proceeded by eight Bills when you might have gone by one Bill. What was the reason why you decided in favour of eight?—As Mr. Charles Harrison has explained first of all, the great differences which exist between these companies; but, of course, I considered it rather from the technical point of view as regards the probability or possibility of getting something effective done within the limits of one Session of Parliament. There are so many totally different questions of a very wide character which are involved in the cases of these different companies, that, in my opinion, to have grouped the whole of these eight companies together in the form of a single Bill would have rendered it quite impracticable to deal with these matters within the limits of any Session. I think I have already shortly alluded to them; but take this one point: We are now dealing with practically a quarter of London—the south-west corner, and we have brought about that which we always expected we should bring about—an arrangement not only with the Surrey County Council, but with all the district councils and authorities outside London. That is the case as regards Surrey. Now we are very far from any arrangement of that kind at present in the north of London. As regards the Kent district, we think that we shall, no doubt, come to an arrangement which is in a fair condition of progress. Taking the East London district, the whole arrangements probably between the London County Council and the county of Essex and the urban authorities will be of a different character to those here. It has been already intimated that the Council will be quite prepared to deal with all those cases generally on the same principles as those which are embodied in our arrangement with Surrey. But there is an enormous mass of detail involved in all these arrangements, and devoting our most anxious consideration to the Surrey question, that alone has occupied us up to the present time. Then if you take the Hertfordshire district—the point which has been already mentioned—the Hertfordshire County Council and all the people of Hertfordshire too, declare that Hertfordshire is being ruined by the draught of water taken by means of the New River; and when we come to deal with that we shall have to face the question which is raised on the Hertfordshire petition—that irrespective of the statutory powers which we are going to take from the New River Company we should be limited in the amount of water to be derived from Hertfordshire. That is a question

Mr. *Worsley Taylor*—continued.

which may result in a settlement or, more likely as I thought when the Bills were prepared, would mean a very long and difficult inquiry. Geological questions and water questions are involved, which may occupy a very long time.

1765. So that, as I understand you, here you have two districts which you can conveniently group together, the circumstances of which are very similar, and which therefore, as a matter of procedure, you can take together? – Yes.

1766. Which would not apply to the rest?—No; we have a compact area bounded by the Thames on the north, and by a line practically north and south through the centre of south London on that side; and that is in itself a very large undertaking, as large or larger, I suppose, than the undertakings of any one of the provincial municipalities. Mr. Binnie will give evidence, but the Council are advised that it is capable of being worked just as it is at present by the undertaking of the two companies, subject of course to such supplement as may be required. In fact the incidental questions here are rather reduced to a minimum, and therefore the case is one within practical limits, and one with which we hope we may be able to deal within the limits of one Session. I thought, I may say, that taking the cases in that way would result in a great saving of expense to all the parties concerned; because I cannot see any reason why Hertfordshire, which has its own peculiar views, or why Essex or Kent should concern themselves in the arrangements which are made here between London and Surrey. I know they have thought it right to be represented, and of course we do not complain of that; but I thought would be unnecessary, and that expense might be saved to them by the course we have adopted of proceeding with the Bills separately.

1767. Then shortly I understand that in your view, at all events, it is for the convenience of everybody concerned that the Bills should be dealt with in this way?—Yes; and if you will remember in 1880, when Mr. Smith made a very skirmishing attempt to deal with all the companies, he was under examination himself for about eight days—it killed the poor man ultimately; and it is an enormous task to attempt to deal with all these companies, and keep all their various concerns and ramifications in one's head at the same time.

1768. Looking at the other side of it, and having regard to what has been said and the express declaration which have been made as to the views of the Council and the fact that the various water companies are here in this room taking part in this discussion, do you see that they are in any way prejudiced by the fact of these two Bills being taken first?—No, I think it is most convenient for all parties, and I hope the Committee will think so also.

1769. I do not want to take you into the various details of these Bills at this stage, but have you carefully considered them, and are you willing to go, if my learned friends want to take you into them, into the various details?—I am responsible for all the clauses of the Bill, and I think that if the preamble passes they will conveniently and practically and fairly carry out the general scheme.

Mr. *Worsley Taylor*—continued.

1770. There is only one matter of detail I would ask you to say a word about. It was suggested, but there might be some difficulty as to the payment in case the undertakings are transferred to you, it was suggested that the powers providing for that should be put into these particular Bills: what do you say to that?—That is a very technical subject, because the London County Council in its applications to Parliament for powers to raise money, is governed by, not only a special series of Standing Orders but by special arrangements with the Government. Of course the Council are not willing to purchase these undertakings upon the ordinary basis of having to provide for the repayment of the money raised within a period of 60 years—they think they ought to have at least 100 years for the purpose. The Standing Orders of the House of Commons are so framed—

Mr. *Bidder.*] Surely that is a question of clauses, not of preamble.

Mr. *Worsley Taylor.*] Very well. I only wanted to clear it up because it was raised.

Mr. *Bidder.*] On the discussion of a preamble to say whether if the Bill is to be passed there should be a sinking fund of 60 or 100 years, is wasting time.

Mr. *Worsley Taylor.*] Very well, I will not go into it.

Cross-Examined by Mr. *Bidder.*

1771. You have given me such a wealth of material that I hardly know where to begin; but before I forget it, let me take up the question of the Royal Commission which you spoke of. Do I understand you to say that the London County Council—and I take it here that we may regard you for this purpose as the spokesman of the London County Council?—Yes.

1772. That the London County Council were not satisfied with the Royal Commission as appointed?—No, they were quite satisfied with it.

1773. Am I right that substantially the appointment of the Commission followed the request in Sir John Lubbock's letter?—Substantially I think you may say so.

1774. And omitted nothing which he asked to be included?—No, I think not, substantially.

1775. And I think you yourself told Parliament in 1892, when I had the honour of cross-examining you, that you were thoroughly satisfied. On Sir Joseph Pease's Committee in 1892. I see I cross-examined you on the 24th May, and at Question 381, I seemed to have suggested—I do not know why—this, "It really practically comes to this: We heard yesterday that the County Council had no confidence in any arbitrator; it now appears that they have no confidence in the Royal Commission." To which you answered, "Well, I was not aware that you heard that even I assume that they have great confidence in a Royal Commission. It was the very suggestion which the County Council made themselves. (*Q.*) At any rate, they have not sufficient

Mr. *Bidder*—continued.

sufficient confidence in the Royal Commission to trust to its conclusions arrived at independently?—That I would rather you asked the County Council, but if you ask me to give my impression of their views, I should say that they were thoroughly satisfied with the appointment of the Royal Commission. (*Q.*) And content to abide by its conclusions?—No doubt." Now that is after the Royal Commission had been appointed?—Yes.

1776. And further than that, I see to Question 318 you gave an answer which is rather a long one: "I do not myself contemplate the possibility of the Royal Commission reporting before next winter. Therefore, supposing they were able to report that some additional supply of water was really necessary, supposing they report that there is really not enough water for the future; that it is not adequate, and that steps ought to be taken at once to remedy the deficiency—which is quite possible, of course—supposing they did that, the report would not be out in time for the introduction of a Bill in the Session of 1893; so that notices could only be given in the autumn of 1893 for the introduction of a Bill of this kind in the Session of 1894; and of course even in the Session of 1894 very likely if this Bill is postponed till then, it will meet with just the same opposition as it encounters now, and it is quite possible it might not even pass then; it might be postponed until 1895. Then it could not get the Royal Assent until some time about July or August 1895, and it would not be possible for the London County Council to prepare for the introduction of any Bill in Parliament in the Session of 1896—they would have to wait till the autumn of 1896 to give their notices, so that it might be 1897—and probably it would be 1897 before any Bill could be introduced into Parliament if this power which is now sought were postponed until after the Report of the Royal Commission." Then you added, and I draw your particular attention to these words: "On the other hand, if the Royal Commission should report that there is plenty of water no harm would be done, because of course there would be an end of the matter." Do you notice those words?—I see from the proceedings here that I gave you that answer.

1777. Now follow me. The Royal Commission have reported that there is plenty of water, and not only so, but that it is of a very high quality. Why is that not an end of the matter?—First of all you must not take me as assenting to the evidence which you are giving.

1778. I beg your pardon; I am giving no evidence. I put it to you: Is not the Report of the Royal Commission, that as to the quality of water and as to quantity, if certain works are constructed, it is adequate. Must I read again those famous passages?—Yes. I do not quite agree with you in your interpretation of the Report of the Royal Commissions as affecting these two companies. I think it is quite clear that the Royal Commission in relation to these companies state to our minds that the provision for storage and filtration is quite inadequate; and they suggest a scheme in order to remedy that and other difficulties, which the

Mr. *Bidder*—continued.

London County Council are advised will be a scheme of an enormously costly character, and which it certainly seems to me would be exceedingly difficult to carry out. So that I do not quite assent to the foundation upon which you based your question.

1779. Then if you do not assent we must lay our foundation a little more firmly. The answer I read to the Committee was that there were two alternatives. First, that this Royal Commission, whom you were thoroughly satisfied with, might come to the conclusion that there was not an adequate supply of water, in which case you were indicating to the Committee that it would be necessary for the London County Council to come to Parliament for a Bill for a new water supply, and you described the delays and the time which would elapse before that Bill would become an Act?—Yes.

1780. Then you dealt with the other alternative. You said, on the other hand, if they made a report that there is plenty of water, there is an end of the matter. Now I gather you object to my putting it inferentially that the Royal Commission have reported there is plenty of water. I am almost ashamed to put it again, but have you the Report of the Royal Commission before you?—No, I know it.

1781. First, there is paragraph 178, which I will not read, as to quality. Then, overleaf, there is paragraph 182, in which they say, as to quantity, that by the construction of storage reservoirs at no great distance above the intakes it will be possible to obtain an average daily supply of 300 million gallons, without taking in any objectionable part of the flood water. In the face of those paragraphs in the Report of the Royal Commission, do you tell the Committee that you do not admit that they reported that there was an adequate supply of water to be got from the Thames Valley?—Yes.

1782. Very well, then I cannot carry it further?—I do not interpret the Report of the Royal Commission in that sense myself; but, of course, they are perhaps rather engineering questions.

1783. No, it is not an engineering question, it is a question of plain English. I will read you one more, and see if after that you will still occupy your position. Paragraph 103 says, "From the sources and by the methods we have mentioned" (all, remember, in the Valley of the Thames) "a daily supply of 420 million gallons can, in our opinion, be obtained. This is a sufficient quantity to supply 35 gallons per head to a population of 12 million persons, which is about three-quarters of a million in excess of what the total population of greater London, together with the outlying parts, will ever become in 1931."

1784. Even if the ratio of increase in the decennial period from 1881 to 1891 is fully maintained, and having read that paragraph, do you still say that you do not admit that the Royal Commission reported that there was a sufficient supply of water?—Yes, I say that paragraph 183, which you are reading, refers to a daily supply. "From the sources, and by the methods we have mentioned." It was not referred to the

Mr. *Bidder*—continued.

Royal Commission to report whether those sources and those methods were the best which could be resorted to.

1785. I quite agree with you. I am not suggesting that. I will assume that it is quite consistent with this report that there might be a supply of water somewhere else of 10 times the quantity and 50 times the purity; but do you represent, having read those paragraphs, that, to use your own language of 1892, "They do not report that there was an adequate supply of water"?—I doubt very much indeed, first of all, whether by the methods they have mentioned they mean the scheme of storage reservoirs at Staines. I doubt very much whether it can be shown that by those methods a sufficient quantity of water, taking the mere question of quantity, for the future can be obtained; but I do not want to criticise what is an engineering question.

1786. I am not asking you whether you consider that it can be shown as an engineering question whether there is an adequate supply. I am asking you whether, in the language of your evidence in 1892, the Royal Commission did, or did not, report that there was plenty of water?—You are referring to evidence which was given with reference to quite a different question.

1787. I am referring to no evidence; I am referring to the Report of the Royal Commission, and I ask you whether, in the face of that report, you tell the Committee that the Royal Commission have reported that there was not plenty of water?—In the sense that I attach to it, I do.

1788. In what sense?—What the Commission have reported is this: They have calculated, of course, the extent of water which falls in the Thames Valley, and the number of gallons which come down the Thames, and they say that by the methods which they indicate a certain number of gallons can be obtained. That I suppose is a mere matter of calculation to which everybody will agree.

1789. And they go on to say that that quantity is a sufficient quantity to supply a certain population?—We can easily do the sum; even I can do that, 420,000,000 gallons a day is enough to supply 35 gallons a head to 12,000,000 people; but first of all you have to bear in mind what no doubt was not discussed before the Royal Commission at all, that every time when these companies have sought power to take more water from the Thames, it has been refused.

1790. Forgive me, you are not answering my question, but going to something else. I am on the question of whether the Royal Commission did, or did not, report that there was plenty of water; you may say the Royal Commission was stupid or anything you like, but I am simply on the question of fact. Do you really mean to contend before this Committee that they did not so report?—What they reported was perfectly clear, that 420,000,000 gallons in point of calculation could, in their opinion, be obtained from the sources and by the methods which they mentioned.

Mr. *Bidder*—continued.

1791. Then you surely admit that that quantity of water is plenty?—No, I think that that is a mere calculation; it does not say that Parliament will authorise the abstraction of that further quantity of water from the Thames, nor does it say that the people interested in the Thames Valley will assent to it, nor does it say that the methods they have mentioned are practicable. It is a mere matter of calculation; it is useful information, of course; but it does not, as the Committee of the London County Council state in their report, conclude the question as to whether that is the best method of dealing with the water question.

1792. I never suggested that it did. I am simply on the plain question whether the Royal Commission did not, in your own words, report that there was plenty of water out of the watershed of the Thames and the Lea?—As I interpret the terms of the Report of the Royal Commission. You are putting the question to me in a form which it is difficult for me to answer; it is an ingenious question.

1793. Certainly, it is my business?—As I read the report it is perfectly clear that a certain number of gallons of water from certain sources which they indicate, and by certain methods which they mention, can be obtained, and that that number of gallons is enough to give 35 gallons a head to a population of 12,000,000 persons.

1794. Then why, in your own language, is there not an end of that matter; why does not the London County Council accept that Report of the Royal Commission, which they asked for and are satisfied with?—No one has accepted it. The London companies have refused it themselves. If the companies had brought in a Bill immediately after the Report of the Royal Commission to do this, then I have not the least doubt the companies would have met with the opposition that they have always met with.

1795. I cannot see how that is answering my question. I ask you, why is not the London County Council not accepting the Report of the Royal Commission?—The London County Council has accepted the Report of the Royal Commission, and is very much indebted to the Royal Commission for the Report.

1796. Then, if they have accepted it, and, using your own language in 1892, there is an end of the matter, what do you mean by introducing into Clause 6, as one of the instructions to the arbitrator, that he is to consider the probable necessity for the introduction of a new source of supply?—Because the arbitrator will, no doubt, have very careful regard to the Report of this Royal Commission; we are very anxious that he should; and when that report is thoroughly considered and appreciated, and all the bearings of this question are thoroughly examined, I think it will be seen that it really leaves open no solution of this question other than the ultimate introduction of water from a new source.

1797. How is it consistent with accepting the Report of this Commission, when they have reported that there is no necessity to go to another new source, that you should direct the arbitrator to consider, not the possible, but the probable necessity

Mr. *Bidder*—continued.

necessity of the future introduction of a new source of supply?

Mr. *Worsley Taylor.*] Where do you find that recommendation of the Royal Commission, that it is not necessary to go to a new source, using "new source" in the sense you are now using it?

Mr. *Bidder.*

1798. Forgive me; I have had that out with Mr. Charles Harrison, and I do not think I will have it out with you in the middle of Mr. Cripps' cross-examination. (To the *Witness*): I ask you, in the face of that report, how you justify directing an arbitrator to have regard to the probable necessity. You settle it in your favour on the face of the Bill that it is probable?—First of all, I suppose, you will admit this: that the Royal Commission indicated the necessity of a new intake?

1799. I do not admit anything of the kind; perhaps you will show me where. I had that out with Mr. Charles Harrison; he made the same statement, and was unable to prove it; perhaps you will show me where the Royal Commission indicate the necessity for a new intake?—"From the sources and by the methods we have mentioned a daily supply of 420,000,000 gallons can, in our opinion, be obtained."

1800. That does not say anything about new intake?—But it is dealt with before. What do you imagine "the methods we have mentioned" means?

1801. Will you kindly point to any words in that report which suggest the necessity of a new intake?

Mr. *Worsley Taylor.*] Look at paragraph 182.

Mr. *Bidder.*] You give up 183, do you?

Witness.] No, I do not, at all. Paragraph 182, the paragraph before, says: "We are of opinion that by the construction of storage reservoirs in the Thames Valley, at no great distance above the intakes of the companies, it will be possible to obtain an average daily supply of 300,000,000 gallons." The earlier paragraphs of the report show exactly what they there refer to. Certainly it was after Mr. Binnie had explained the matter to the Royal Commission to some extent that the companies themselves admit that their existing sources of supply were inadequate; they set to work to see what they could suggest, and they put forward several schemes, which were all condemned by the Royal Commission except Mr. Hunter's scheme, and even that the Commission did not recommend at all; they only said that it is the best of the schemes submitted to them. That scheme involved the construction of storage reservoirs at Staines, a considerable distance above the intakes of the companies. I cannot suppose that it was intended that the water should be taken where it is now, and should then run up-hill again to Staines; they must have intended that the water should be taken out of the Thames into the reservoirs at Staines.

Mr. *Bidder.*

1802. We all know, and it says so, that that refers to providing additional supplies of water by storage reservoirs at Staines; but where is the suggestion that the companies must move their present intakes?—Because the only sources and the only methods by which the Royal Commission say a daily supply to that extent can be obtained are the sources and methods which the Royal Commission themselves have indicated.

Mr. *Bidder*—continued.

1803. That is an additional supply by storage; but where does it suggest that they have got to alter their intakes. Of course, it is obvious that water stored in a reservoir will be brought from the reservoir in a pipe, and will not go back to the Thames, that is palpable; but where do you say that it is suggested that the company have to alter their intakes?—I am assuming, of course, that if there was a storage reservoir at Staines, it would be designed to take the water out at Staines.

1804. I quite agree with you that if you have water stored at Staines you will bring it away in a pipe; but that is additional supply. But the present supply is taken from these present intakes; where do you find a suggestion that they should be moved?

Mr. *Worsley Taylor.*] If you refer to paragraph 86 of the report, it is as plain as possible.

Witness.] I thought it was so clear that it was not open to discussion.

Mr. *Worsley Taylor.*] I will read it: "The third proposal as to storage has advantages over any other in this respect. It was laid before us by Mr. Walter Hunter, M.I.C.E., a director, and Mr. Alexander Fraser, M.I.C.E., the engineer, of the Grand Junction Company, and consists in the construction of nine reservoirs upon land in the neighbourhood of Staines, at only a few miles distance above the existing works of the companies." Then, below some figures, you see: "The water to be stored is to be taken from the Thames at a point above Staines. The levels would admit of its flowing in partly by gravitation, but mainly it will have to be pumped.

Mr. *Bidder.*

1805. But that carries it no further; that is the water that is going to be stored in that reservoir, the additional supply; there is no moving of the intakes of the company. (To the *Witness*): However, that is all you have to say about that, is it?—Yes; properly interpreted, I think that shows that in some way or other some new sources of supply must be necessary. It may be that taking the water from the Thames at Staines is the proper solution; I cannot see it myself. Of course, I am rather thinking of it from my professional point of view. Supposing these water companies were to introduce a Bill for that purpose, and I had to conduct it, I am quite certain that I should meet with opposition, which would render it exceedingly doubtful whether I should ever get my Bill beyond Second Reading.

1806. You say that the arbitrator is to have regard to the probable necessity of the future introduction of a new source of supply. By a new source of supply you do not mean to tell him to consider the possibility of going to Wales, or something of that kind, but you simply refer to the probability of having to construct reservoirs in the Thames Valley; is that what you mean by new sources of supply?—No, it is not; it

Mr. *Bidder*—continued.

it is the same question that you put to Mr. Charles Harrison, and which has been already answered. It will be for the London County Council, I assume, to consider, as they are considering, how this difficulty is to be dealt with. Admitting that water from some new source is necessary, there are two alternatives; one is to get it from a different source up the Thames; and the other is to get it from a different source outside the Thames Valley; and, whatever may be ultimately decided upon, and even though a decision between the two alternatives may not be taken, yet I think the arbitrators ought to have regard to the liability which is obviously ahead of the companies, even if the undertakings remain in their possession.

1807. Then I should not be misrepresenting you in saying that under those words you want it open to the London County Council to argue before the arbitrator that the Thames sources are inadequate, and that it would be necessary to go to Wales, and that that therefore depreciates the value of the undertaking?—It does not depreciate the value of the undertaking.

1808. Please will you answer my question. Do you wish that to be kept open for argument before the arbitrator, and say there is a probable necessity for going to Wales?—I do not wish to limit the argument before the arbitrator to the question of going to Wales.

1809. Then let Wales stand for all England?—But that was your question; that was the question you asked me.

1810. Take Wales as representing any place a long way off. Will you answer my question: Do you intend by those words to make it open to the London County Council to raise that contention before the arbitrator?—I do not quite follow what you mean by "that contention"; but perhaps I can shorten it.

1811. That the Thames sources are inadequate, that in order to satisfy London you must go to some very distant watershed, and that that must be taken into consideration?—Yes, I think that the liabilities ahead of the companies, even assuming that the undertakings remain in their hands, ought to be fully under the consideration of the arbitrator. Of course if the undertakings are transferred to the Council, they would be liabilities ahead of the Council. I do not want the companies to get out of the thing altogether by saying: "After this transfer we have got no further liabilities." That is one point.

1812. You are not answering my question, nor approaching answering my question?—I was trying to get to it I assure you. I think we ought to leave it quite open to the arbitrator to consider how far it may be necessary in the future for the London County Council or the companies to obtain a supply of water from other sources than those from which the companies now obtain it.

1813. Therefore you desire that the Royal Commission's Report should not on this matter be an end of that question, but that you should be entitled to contend before the arbitrator that the Royal Commissioners were wrong. I quite

Mr. *Bidder*—continued.

agree that their Report, which you have read, was perfectly correct. From paragraph 183, it is incontestable that they show that if the sources which they indicate can be resorted to, and if the methods which they mention are practicable, two very large hypotheses, there will be a certain number of gallons of water available in the Thames. Whether the people of London would like to drink it is a different matter.

1814. They have dealt with the quality before; they say that it is of exceptionally high quality?—Forgive me; that is not the Report of the Royal Commission; that is, I think, where you make the mistake.

1815. I will withdraw the observation rather than raise a contention; but, as a matter of fact, reading "new source" as something other than the Thames, do you wish to have it open to you to contend that the Royal Commission is wrong in suggesting that the wants of London can be satisfied from the Thames Valley?—That they do not suggest. You put an erroneous hypothesis to begin with, and found a question upon it.

1816. I will not argue that with you. At any rate, you wish to have it open to you to contend that it is necessary to go elsewhere than to the Thames Valley for water for London?—Yes, I do, either outside the Thames or to a different source inside the Thames Valley.

1817. Now as to this rather long history which you gave us to-day about competition in 1851 and 1852, I will try and deal with as shortly as I can. Do I understand you to suggest that the policy of Parliament has been always, in regard to these water companies, to encourage and establish universal competition?—Yes, I say so first of all on the application of the companies themselves who have seized the opportunity of coming in in order to compete with the older companies, and have volunteered to do it.

1818. I am speaking now of Parliament, not of the companies themselves. Are you aware, from your researches into ancient history, of a Select Committee which reported on the supply of water to the metropolis in 1821?—I know something about it.

1819. You have been further back than that, so you might have found it out. Let me read to you from the report, which is quoted again by later Committees, a passage bearing upon the attitude of Parliament as regards the competition of the water companies in London. "Competition in ordinary cases adjusts the supply to the demand through the liberty which the sellers have to go out of the market as well as to come into it" (this is the fifth paragraph of the report of the Committee of 1821), "but in trades carried on by means of large capitals vested in fixed machinery and furnishing a commodity of no value, but for consumption on the spot, the sellers are confined to the market by the nature of the trade, and if the new comer has to seek immediate employment for large works by taking custom from the established dealer, as there can be no great difference in the quality of what they sell, they must vie in lowness of price, and will probably be driven to underbid each

Mr. *Bidder*—continued.

each other down to the point of ruin, because it is better to take anything than to take nothing for that which cannot be carried away; and this must go on until both are worn out, or one has outlasted the other and succeeded to a real and effective monopoly, or until by some arrangement between themselves they can put a stop to their mutual destruction. These consequences appear to have followed from the late protracted competition between the water companies; it was carried on during several years at a very ruinous loss, and must in all probability have led to the extinction of all, except one or two of the wealthiest, as it did to that of the smaller companies, but for an arrangement which finally took place, and by which the supply of the town was partitioned between them, each company withdrawing its services within a line agreed upon, and exchanging with the others the pipes beyond its own boundary." Then it goes in detail into the cases of the New River, the East London, the Chelsea, the West Middlesex, and the Grand Junction Companies. Then it goes on further: "These measures were questionable at the first view, and carrying with them so much appearance of a combination against the public do, nevertheless, appear to your Committee to have been measures of self-preservation, leaving the companies only responsible for the use which they might thereafter make of them; they were, however, in themselves of a nature to excite, and did excite a great degree of alarm and discontent." Then, after a good deal more to the same effect, they say: "The question fairly stated appears to your Committee to resolve itself into this: 1st. Is there any improvement in the supply, and how far is it proportioned to the increase in the demand; 2nd. Could that improvement have been obtained, or could it now be obtained, upon terms so much more favourable as to suit the increase of rates at present demanded in the light of an extravagant overcharge. In resting the case on these grounds it will appear that your Committee do not treat it as one in which it is simply to be considered what will remunerate the companies for their actual outlay, but as a case for fair adjustment between the companies and the public, in which it is proposed to cast upon the latter no greater proportion of a losing adventure than is equivalent to the advantage which they actually derive from it." So that that Committe pointed out that the competition which had gone on was ruinous and had come to an end, and that the adjustment that followed was in the interests of the public as well as the companies?—On the contrary, I do not think you interpret that report at all properly.

1820. I will assume that I do not; it speaks for itself?—You rather omitted the important part of it.

1821. I always do, I notice. What is the important part I omitted?—May I explain what led up to the report.

1822. No, certainly not. You tell me that I have omitted an important part—you had better tell me what it is and ask me to read it?—I will read it if you will allow me, and I will explain it afterwards. The commencement of the report refers to the various companies, and it says, "None of them had any legal privilege in the nature of a monopoly, but each possessed a monopoly in effect, through the greater part of the district which it supplied. Where their works intermixed, as they often did, it was the effect of a very gradual extension, and though the inhabitants of those parts of the town had the benefit of a choice, no mischievous spirits of rivalry seems to have been excited between the companies. The East London, the West Middlesex, and the Grand Junction Companies were formed under the several Acts of Parliament noted in the margin. They began to supply the town about the year 1811. The principle of the Acts under which these companies were instituted was to encourage competition, and certainly in these as in other companies it is only from competition, or the expectation of competition, that a perfect security can be had for good supply; but your Committee are satisfied that from the peculiar nature of these undertakings, the principle of competition requires to be guarded by particular checks and limited in its application to them, in order to render it effectual without the risk of destruction to the competing parties, and thereby ultimately of a serious injury to the public."

1823. Then follows the passage which I read?—Then follows the passage which you read; but if you had followed the whole history of the thing, as I have, you would really have understood more what the meaning of that was. The whole object of the report of this Committee was to preserve an effective competition between the companies. What they were afraid of was that if the companies were left entirely loose to go on in this mischievous spirit of rivalry amongst themselves, one might succeed in ruining the other, and that would tend to the public disadvantage. What this Committee wanted was to devise some system under which competition could be thoroughly well kept alive, and the companies at the same time could be prevented from either amalgamating or destroying one another, that was the whole tenour of the report. The proceedings which led up to it were very long and very important. There had been a great deal of discussion all over London and in Parliament.

1824. Might I ask you to make your answers a bit shorter sometimes?—But you are really misrepresenting by reading one part of the report, what the real effect of the report was.

1825. I do not tamely submit to a charge of mispresentation as a rule?—I do not mean to use the expression in any way offensively.

1826. As a matter of fact, does not the report come to this (and I think the sentence I read shows it) that although competition is a very good thing in the case of these London companies, unchecked competition is a very bad thing in the interests of the companies and of the public too, and must be checked?—In that sense it was, and yet must be taken to keep alive an effective competition.

1827. Now let me go on from 1821 and come to these important years, 1851 and 1852. Do

Mr. *Bidder*—continued.

you suggest to the Committee that the proceedings on the Government Bill of 1851 were with the view of fomenting or encouraging competition of a more violent character among the companies?—No, the object was to superadd to the efficacy of competition, the efficacy of some sort of control and regulation. Competition was preserved, as everybody admitted, but the object was to further control and limit ——

1828. Is that quite correct? You appear to have examined all the history, therefore I ask you, is that a correct Report of the principle on which that Bill was avowedly introduced by Government in 1851?—I think it is. I have already read the extracts from the speeches, which seem to me to prove that.

1829. Of course the records are very scarce, but have you read Sir George Grey's speech in the House on moving for leave to bring in the Bill?—Yes.

1830. He was the member of the Government in charge of the Bill, was he not?—Yes, I think he was.

1831. He said "he was quite prepared to admit that the present sources of supply were deficient, that the quality was to a large extent bad, that the quantity was altogether inadequate to the exigencies of this large metropolis, and that the price was greater than it ought to be or need be. All these defects, he quite admitted, and these defects he desired as far as he could, to remedy. After it had been admitted as he had thought that competition had failed to accomplish the object, he was surprised to hear a revival of the proposition that competition might advantageously be had recourse to. The very principle on which this Bill was framed, a principle sanctioned by the best experience, was that competition was not the basis on which the supply of water to the metropolis could most efficiently be conducted, and he clearly considered that the House would not act wisely did it encourage any further competition on the subject. Competition was, no doubt, an excellent principle as a general rule where it could be at all safely applied, and, no doubt, also as a general principle, local matters were administered by local managers; but ample reasons had been assigned on a former occasion why in this particular case the general principle could not be advantageously or safely applied. It might be very true that when competition first came to operate on the particular water companies in London, it reduced for a while the prices, but afterwards, when competition resolved itself into combination the price gradually resumed its former position." Now I ask you, in the face of that speech of the honourable member who introduced the Bill on behalf of the Government; how can you tell this Committee that that Bill was brought in on the basis of encouraging competition?—I did not say that it was.

1832. Then my ears deceived me very grossly?—The Bill was brought in because it was clear that the competition as it then existed between the companies was not sufficient in itself to protect the interests of the consumers. You must bear in mind that the cholera epidemic had

Mr. *Bidder*—continued.

occurred in 1848; I do not know how many people had been killed by the Southwark and Vauxhall Company; and it was absolutely necessary to deal with this matter in some way or other. It was proposed in 1851 to take away from the companies their intakes in fact. That was Clause 1 of the Bill; and various other things were also proposed; but if you refer to the proceedings of 1851 and 1852 you will find throughout that the companies themselves put forward the fact of the powers of competition amongst themselves as arguments against the proposals of the Government; and to a great extent they succeeded.

1833. I will not be led up to that bye-path at present; we will keep to the main road. In your answers in chief you have conveyed to the Committee, I think, the idea that the Government in introducing the Bill of 1851 were proceeding upon the basis of competition, and here you have the honourable member who introduced it saying directly to the contrary, and expressing his opinion that the House would not act wisely did it encourage any further competition on the subject?—The proposal of competition which is there suggested is the proposal which I have already referred to—a proposal to compel all these companies to go into every part of their district.

1834. I only think it fair to draw your attention to that speech of the honourable member in order to give you an opportunity of saying whether you were not under a misapprehension in answering on this subject before?—No, I was not under any misapprehension.

1835. You have the opportunity; if you do not choose to take it I will pass on to something else?—You have rather put it into my mouth evidence which I did not give.

1836. May I ask you, had you read the speech of Sir George Grey?—Yes, and the other speeches at the same time.

1837. And you gave your evidence with a knowledge of that speech?—Yes.

1838. Now I come to the 1852 Bill. Unless I misunderstood the general tenor of your somewhat prolonged answer in chief, do I gather that the tendency of Parliament was to preserve competition amongst the companies, and to encourage competition or to rely on their competitive powers?—Are you referring only to 1852?

1839. I said 1852; I have done with 1851 for the present?—In 1851 and 1852 it was practically the same thing.

1840. I would rather keep to one thing at a time. You went from one thing to another backwards and forwards. I am speaking of 1852, and I said 1852; that is the year in which there was legislation. Do I understand that you wish to convey to the Committee that in 1852 Parliament was relying on the competitive powers of the companies, and intending to encourage and preserve them?—Yes; but you put your question in such a way that an answer, yes or no, would hardly be a fit answer.

1841. Would you like to withdraw "yes" and say "no"?—No; because that would be equally unreasonable. I will explain to you what the fact was if you will permit me.

1842. I am

Mr. *Bidder*— continued.

1842. I am content with the word "yes"; if you want to say anything further of course it is your right?—The scheme of 1852 was simply this: There being in existence a statutory power of competition, it was found that that was not in itself sufficient protection for the consumer; the scheme of the Bill of 1852 was to control and regulate the companies, leaving the existing statutory power of competition as it stood. In the course of the proceedings of 1852 a clause was proposed which, as Sergeant Wrangham explained it, would have the effect of putting the two companies up necessarily and compulsorily to fight one against the other, and he objected to that clause; he said: "We are quite willing to submit to the ordinary statutory competition such as now exists, and that ought to be enough," and he gave very good reasons to show why it ought to be enough; and to a certain extent he satisfied Parliament that it would be enough; because instead of that compulsory Competition Clause being passed, and instead of the rates of the companies being reduced the companies were left under the existing statutory powers of competition, with a power to charge up to a certain maximum, which was to be receded from in the majority of instances.

1843. I will come to the receding presently. Then you do represent Parliament as legislating rightly upon the powers of internecine competition between the companies?—The powers of competition between the companies, certainly.

1844. I will withdraw the "internecine." I will now confine my question to two of the Bills before the Committee—the Lambeth and the Southwark and Vauxhall. Is it not the fact that so far from that being the case the Committee recommended the two companies to amalgamate?—The Southwark and Vauxhall Companies were amalgamated.

1845. Do not introduce things utterly irrelevant; that is quite a different period. That was 1845, seven years before. I am asking about 1852. Is it not the fact that so far from its being correct that that Committee was relying on the powers of competition between the companies, that the Committee themselves recommended the Lambeth and the Southwark and Vauxhall to amalgamate into one company?—If you will refer me to the paragraph I will deal with it.

1846. You cannot answer that question?—No, not without referring to the paragraph.

1847. You never heard that suggested before?—No, I do not think so.

1848. Then I refer you to the 11th June 1852, on the Southwark and Vauxhall Water Companies Bill, with William Beckett, Esquire, in the chair, and the minute I have is this: "The chairman stated that the Committee wished to call the attention of those who represented the Southwark and Vauxhall Company and those who represent the Lambeth Company to a matter of considerable importance; that it had appeared to the Committee while hearing evidence in regard to the district south of the Thames, that there would be an advantage in the economy of the water supply, both to the companies and the consumers, if the two companies, namely, the Lambeth Company and the Southwark and Vauxhall Company were to unite and amalgamate into one company, that the Committee threw out this suggestion believing that the companies upon consideration might find it advantageous hereafter to seek such an amalgamation." Did you never hear of that before?—I do not remember that particular paragraph.

Mr. *Bidder*—continued.

1849. Can you with that paragraph before you, suggest that that Committee in legislating in 1852 was relying, in the public interest, on the competitive powers of the companies with each other?—Yes, I think so; because, of course, if that amalgamation had taken place it would be subject to proper limitation of the charging powers of the companies.

1850. I do not quite follow. Your mind and mine seem to lie in quite different zones as to logic. How, if the two companies were amalgamated together, would the competition between them continue for the protection of the public?—The protection of the public might have been dealt with in another way.

1851. Answer my question. What became of the competition between the two companies, if they had amalgamated?—The competition, of course, would have gone, and proper provisions been introduced for the reduction of the rates or charges.

1852. How can you suggest to this Committee that that Committee was relying on competition for the protection of the public when they themselves suggested that it should be put an end to by amalgamation?—If you will refer to the whole of the proceedings you will find that it was so.

1853. No, no; kindly answer my question?—I am endeavouring to answer the question. If you will refer to the whole of the proceedings throughout this inquiry, you will see as clearly as possible that it was the competition, the power of statutory competition as between these companies, which the companies themselves very much relied upon, and was recognised throughout by the counsel for the Government. There is no doubt, and it is quite obvious, that economy in the supply of water, if amalgamation could have been possible on terms to which the companies could have assented, might have been brought about; but the whole question was whether the Lambeth Company would reduce their powers of charging to the lower scale of the Southwark and Vauxhall. That is a question which has arisen on more than one occasion since. You must bear in mind that there is an express statutory provision affecting these companies, which was introduced in the earlier Acts, prohibiting the assignment of any of their statutory powers.

1854. You have skirmished generally all round the whole question, but you have not approached answering my question, which is this: How can you suggest to this Committee that that Committee was relying on competition for the protection of the public when they themselves suggested that it should be put an end to by amalgamation?—I say what they relied upon was shown by the whole of the argument before the Committee on both sides, and by the Acts which they passed.

Mr. *Bidder*—continued.

1855. Do you think that is answer to my question?—I do, indeed. I quite agree with you that a suggestion came from the Committee that economy might be effected in the supply of water by an amalgamation of those two companies.

1856. I can lead the horse to the water, but I cannot make him drink. Now remember Sergeant Wrangham has been referred to you by a great many times. I will refer to one quotation from him in this connection. You told the Committee, as an evidence of the attitude of the companies submitting to Parliament then, that Sergeant Wrangham for the companies or for some of them said that they would submit to be subject to the Waterworks Clauses Act?—Yes.

1857. And that Clause 18, as you put it, but which you suggest meant Clause 35, put a compulsion upon them?—Yes.

1858. Apparently, if I have not misunderstood and therefore misrepresent you, you suggested to the Committee that the companies led Parliament to legislate in 1852 under the belief that by incorporating the Waterworks Clauses Act they were put under the full compulsion of that Act?—Yes.

1859. And therefore were compelled in the interest of the consumers to compete with each other?—Yes.

1860. How can you make that suggestion in the face of the fact that in that very year in the various water companies' Bills, the Committee inserted a proviso that they should not be compelled. I do not know whether you have the Act of 1852 of any of the companies before you, sir.

Chairman.] No.

Mr. *Bidder.*] I have the Southwark and Vauxhall Act. You may take it that they are all the same, and any one of them will do. I will take Section 47 of the Southwark and Vauxhall Act of 1852, which I happen to have before me. Now observe this, Mr. Cripps; I am now reading part of the Southwark and Vauxhall Act: "That the company shall cause main pipes to be laid down, and pure and wholesome water to be brought to every part of the district," and so on. I think I may say that that is substantially the same, although not verbally, exactly the same as Section 35 of the Waterworks Clauses Act.

Witness.] Up to the proviso you may take it that it is.

Mr. *Bidder.*

1861. Therefore I need not read that; it is a compulsion to supply. Now we will go on at once to the proviso at the end of the clause. "Provided also that the company shall not be bound to furnish any such supply of water or lay down any pipe for such purpose in any part of the district which part is for the time being supplied with water by any other company." How can you suggest that that Committee was misled by the companies into the legislation it adopted, and into the belief that they would be compelled to compete with each other, when the Committee inserted that proviso which in express words absolved them from that compulsion?—

Mr. *Bidder*—continued.

What I was referring to was the speech of Mr. Sergeant Wrangham in the month of May, when the Chelsea Bill and these other Bills were passed. At that time he relied upon the Waterworks Clauses Act, and stated that they were willing to accept the Waterworks Clauses Act; and it was in consequence of that understanding that the special clause about competition, proposed by the Government, was rejected. It is quite true that at a much later stage of these Bills, whilst the Bills were passing through clauses—I think on the last day—a month later than this—on the East London Bill one member of the Committee called attention to the fact of the incorporation of the Waterworks Clauses Act. Mr. Baxter and Mr. Bircham, who represented the companies at the time, discussed the matter with the Committee, and the Committee, at their request, introduced into the Bills other than the Lambeth Bill, this particular proviso to which you refer. The proviso was in the Southwark and Vauxhall Bill, and it is proposed to repeal it.

1862. Then your own account of the transaction is, that whilst these Bills were passing before that very Committee, some member of the Committee drew the attention of the Committee generally to the fact, that if they incorporated Section 35 of the Waterworks Clauses Act without any qualification they would be putting a compulsion upon the companies to compete with each other in mutual districts, and thereupon the Committee deliberately, in order that it should not have that effect, inserted that proviso?—That was after the whole of the argument, that the power of competition existing between the companies——

1863. But I ask you, and I accept your own account of it—how can you tell this Committee that that Committee of 1852 was misled by Serjeant Wrangham, and legislated under the impression that by incorporating the Waterworks Clauses Act they were compelling the companies to compete with each other, when you now tell us that as soon as their attention was drawn to it they deliberately put in a proviso to prevent it?—I do not think I said that the Committee were misled at all. What I said was this, that in May, when Serjeant Wrangham was dealing with the Chelsea Bill, the Southwark and Vauxhall Bill, the New River Bill, and I think also the West Middlesex Bill, he stated to the Committee that they proposed to incorporate the Waterworks Clauses Act; that they did not fear the competition which that Act would induce (perhaps it is hardly right to call it a competition), they did not fear the powers of that Act under which the consumers of water would be able to call upon the companies to introduce a supply. That Serjeant Wrangham told the Committee in May, and accordingly the Committee rejected the special Competition Clause which had been proposed by the Government. In June a great deal more had taken place. The whole argument had gone on about the effect of this dormant competition, as it was called; evidence had been given by the witnesses for the company to the effect that they were only asking for a maximum power of charge which

Mr. *Bidder*—continued.

which would be receded from in the majority of instances, and that that competition would keep them in order. That was the history up to June. In June the East London Bill was before the Committee, and in the course of a discussion of that case attention was directed to the fact of the incorporation of Section 35 of the Waterworks Clauses Act, and although the history is rather obscure from the proceedings, what happened was this: the Committee said, that after all that has taken place during that month in the East London case, they would allow the insertion of a proviso under which the consumers could not call upon another company to come in and supply in cases where there was a company actually supplying at the time. If you will look to the proceedings, I think, in June——

1864. That is what you said before; do not repeat the story at too great length?—I will tell you exactly what took place if you like.

1865. Do not, please, unless you think it absolutely essential?—I do not think it is; it is only to show that after all that had taken place about the competition the Committee allowed the companies to go back apparently and alter Bills which had already passed, and that proviso to which you refer was introduced into the Southwark and Vauxhall Companies Act, and in our Bill we ask to repeal it.

1866. And in all the other Bills before the Committee?—Yes.

1867. And deliberately introduced?—Yes.

1868. Then, if you please, how has all this reference to—what Serjeant Wrangham says—what bearing is it to have on your arbitration? Do you propose to go to the arbitrator and say: "Serjeant Wrangham said so and so, and therefore though the Committee legislated in a particular way you must consider whether that Committee were not taken in, and it ought to be remedied." Is that what you mean?—No; there is no question of the Committee being taken in at all; that is the way you put it. It really is this. The Southwark and Vauxhall Company has the power to supply in every part of the Lambeth district.

1869. We know: you need not begin from the beginning again?—That is the statutory power which we want to have referred to the arbitrator.

1870. In the first place, is that accurate; have they the power to supply all through the Lambeth district?—Not quite; you will see by the map the exact district.

1871. Have they power to supply one-half of the Lambeth district?—Yes, a good deal more than one-half.

1872. Have they?—Yes.

1873. Is this map on the wall correct? Green is the Lambeth district on that map, is it not?—I cannot tell you from that map; I can tell you from these maps opposite.

1874. And the pink, I think, is Southwark and Vauxhall, is it not; I cannot tell you from that map.

1875. Do you see the Parliamentary district of the Lambeth Waterworks Company coloured green, the Southwark and Vauxhall Company coloured pink, and I think I am right that the actual common district is hatched, is it not. Look at that map?—I would much rather take a map that I know than one I do not.

1876. Is it not the case that so far from the Southwark and Vauxhall Company having power of competition through the whole of the Lambeth Company's district, they have not the power of competition through a third part of it?—No, that is not so. Of course the Committee will understand that I am only talking of the parts of these companies' district which are within London. The area coloured blue on this map shows the Parliamentary area within which the Southwark and Vauxhall Company has powers of supply; the area on the map coloured light red shows the area within which the Lambeth Company has powers of supply. The Southwark and Vauxhall Company has powers to compete with the Lambeth Company in the whole of the Lambeth district so far as it is within the metropolis, with the exception of a certain part of Lewisham. The Lambeth Company has power to supply in Lewisham where the Kent Company has power to compete with them; and in that part the Southwark and Vauxhall Company has not powers to supply.

1877. In point of fact, then, it comes to this: When you said they had power to compete over the whole of the Lambeth district you were speaking of only a small portion?—Mr. Bircham is good enough to correct me. As a matter of fact, I have not done justice to my case, he thinks.

1878. You were saying, were you not, that the Southwark and Vauxhall Company have power to compete, and to some extent they have competed in the Lambeth district?—Yes.

1879. How do you suggest that these statements of Serjeant Wrangham's or anything of that kind in 1851, is relevant to the question now or to the question which may be before the arbitrator, what bearing do you suggest it has?—The argument about competition is this: that if the Southwark and Vauxhall Company being able to supply, and being bound to supply at a lower rate of charge, were willing to do that which they undertook to do according to my contention—to compete with the Lambeth Company—then either the Lambeth Company's rates must be reduced to the Southwark and Vauxhall maximum, or the Southwark and Vauxhall Company would take their business; so that in any event——

1880. That is to say, if they are bound to compete?—If they would compete.

1881. You carefully go away from my question. You told us a long story about what Serjeant Wrangham said here and what he said there. How do you suggest that it is relevant in any way to this Bill as to the inquiry before the arbitrator. What bearing has it. Do you say you are going to found an argument for cutting down the prices upon what Serjeant Wrangham said in 1852?—I propose to found this argument upon it. The West Middlesex has powers to supply in the parishes of Wandsworth, Putney, and Battersea. I have not got the figures before me; but I think I am right in

Mr. *Bidder*—continued.

in saying that the West Middlesex limit for an ordinary house is something like one-third of the maximum amount which the Lambeth Company can charge. If the West Middlesex Company were doing what it might do, and what it has power to do, that is, offering to supply the consumer in the Lambeth district with a better water at one-third the price, the consumer would naturally take the Middlesex water, and have the benefit of better water and lower prices. That is the position in which the consumer ought to be at the present time.

1882. You mean that he ought to be in a position to call upon the West Middlesex to give him that better and cheaper supply?—That is a different matter altogether. He was prevented from getting into that position by the proviso you refer to; but whilst the consumer was given no power to compel the Company to come in and supply, the power of the companies to supply in competition was reserved to them. The West Middlesex Company has the power to supply if it thinks fit in three important parishes in the Lambeth district and in the Southwark and Vauxhall district.

1883. I will put my question for the third time: How do you propose to use these statements in the speeches of counsel in 1852 as affecting the proceedings before the arbitrator?—I propose to argue that it is not reasonable that the arbitrator should start with the assumption that the Lambeth Company is absolutely entitled to the largest sum which they can extract from their district by levying their full maximum rate in every instance; and I propose to suggest in the same way that in assessing the purchase money of the Southwark and Vauxhall Company, the arbitrator should not start on the assumption that the Southwark and Vauxhall Company are absolutely entitled to that maximum income.

1884. Then you are not going to lay stress on the competition question on the sayings of counsel in 1852, but more on the maximum rate question; is that it?—They are two distinct things, but they are both effective in the same direction.

1885. Before I leave this question of competition, there is no doubt that the proviso that I have drawn the Committee's attention to at the end of Section 47 of the Southwark and Vauxhall Act of 1852, did protect the companies from what would have seriously depreciated their property, and saved them from compulsory competition?—Looking at it from the company's point of view you may say that it protected them against competition.

1886. You do not dispute that, do you?—I look at it from the consumer's point of view.

1887. I know; but looking at it from the companies' point of view, it saved them from compulsory competition?—Certainly it saved them from compulsory competition.

1888. And in that way increased the value of their undertaking?—Not necessarily. That would depend entirely upon the——

1889. It left them open to voluntary competition?—You interrupted me in the very middle of my sentence. It is very difficult indeed to answer you.

1890. I apologise. I say the proviso in the Act of 1852 relieved the companies from the obligation to compulsorily compete with an existing company whether they liked it or not?—Yes.

1891. And left it open to them to compete if they chose, or thought it profitable to do so?—Yes.

1892. Therefore, that proviso protecting them from compulsory and ruinous competition was distinctly advantageous to them from their point of view?—I think it would probably be so.

1893. It must have been?—Yes.

1894. May I ask you then what is the meaning of this. I do not think it has been referred to yet; among the directions to the arbitrator (reading from the Southwark and Vauxhall Bill, which, though it is not quite like the Lambeth clause, is practically the same as Clause 6 of the Lambeth Bill), at the bottom of page 9, you gave a direction to the arbitrator that he shall "have regard to the statutory powers of any other company to compete in any part of the Southwark and Vauxhall Company's district, and the rights of any other body or company to supply water in the Southwark Company's district, whether as now existing under statute or as may be likely to exist in the future." That is, that he shall take into consideration that matter as affecting and qualifying the value of the undertaking of the Southwark and Vauxhall Company?—As relative to the value of the undertaking one way or the other.

1895. That is, you direct him that he is to take into consideration that as diminishing the value of the Southwark and Vauxhall Company's undertaking.

Mr. *Stanhope.*] Before that question is put, what distinction is there between the clause in the Southwark and Vauxhall Bill, and the clause in the Lambeth Bill?

Mr. *Bidder.*

1896. I shall be able to show you, sir, in a minute. (To the *Witness.*) Before I pass on, are you aware that much later than 1852, as late as 1884, Parliament gave express power to these two competing companies, the Southwark and Vauxhall and the Lambeth Companies, to enter into agreements to avoid competition; are you aware of that fact?—I know the clause to which you refer.

1897. It is the 23rd section of the Southwark and Vauxhall Act of 1884: "With respect to any parish, other than the parish of Lambeth, district or place in which the company" (that is the Southwark and Vauxhall Company) "and the Lambeth Company respectively supply or are authorised to supply water, the company and the Lambeth Company may at any time after the passing of this Act and from time to time enter into any contracts or agreements, and may also from time to time vary, alter, or rescind any such contracts and agreements, and enter into other contracts or agreements for the purpose of determining which parts of such parishes, districts, or places aforesaid shall be thenceforward

Mr. *Bidder*—continued.

forward supplied by the company and the Lambeth Company respectively, and such provisions may include agreements with respect to any acts, deeds, matters, or things incidental to such supply, provided that no such contract or agreement shall in any way interfere with or affect the duties and responsibilities of any company towards the consumers of water," and so on. Were you aware of that provision as late as the year 1884?—Yes.

1898. In which Parliament has expressly endorsed the action of parcelling out their district, so as to avoid competition in the same place?—No, I do not agree with you at all about that. I think the most important part of that clause is the proviso. It shows what was intended. "No such contract or agreement shall in any manner interfere with or affect the duties and responsibilities of either company towards the consumers of water or the public, or the rights or interests of such consumers of water or the public as against either company.

1899. Why is that more important than the operative part of the clause, which says that they may enter into agreements to parcel out their districts?—We thought that, subject to that proviso, there was no great harm in the company getting what seemed to be a purely domestic power.

1900. I am only drawing your attention to it as an extension of the policy of 1852, which was that they were not compellable to compete in each other's districts?—I do not agree with that at all. I think the proviso is the important part. Although the companies were allowed to carry out purely domestic arrangements between themselves, it was expressly provided that no such contract or agreement should in any manner interfere with or affect the duties or responsibilities of either company towards the consumers of water or the public.

1901. Allow me to point out to you, if you remember the provision of 1852, that the proviso is not the most important part of it, because they have no responsibility towards the public in a place where they are not supplying the public with water, and the other company is. However, I pass from that, and I bring you back to the Southwark and Vauxhall Bill?—Do not take me as agreeing——

1902. I do not assume anything. I do not want to waste time in endeavouring to get you to agree with me. I only draw your attention to these matters. Notwithstanding those provisos, you ask that the arbitrator should be authorised and instructed, in fact ordered, to have regard to these matters as affecting the value of the undertaking?—We ask that he should have regard to them.

1903. And, of course, affecting it in the sense of diminishing it?—I think that it probably would have that effect.

1904. Have you any doubt about it?—Yes; I do not agree with the way that you put it. It is intended that we should be able to argue that the Arbitrator is not to proceed upon the basis of your present income which is derived from the exercise to the full of your maximum powers of charging.

Mr. *Bidder*—continued.

1905. I will come to that in a minute. I will read on a little further in the Southwark and Vauxhall Bill. "The effect of the amendment in the Southwark and Vauxhall Company's Act of 1852, and the incorporation of Section 35 of the Waterworks Clauses Act, 1847, with the special Act and the amendment of the Southwark Company's Act of 1852." The Act of 1852 is the Act under which they got the proviso that relieved them from compulsory supply, is it not?—Yes; at least, you had better describe it correctly. It is the proviso under which the consumer would not have the same power that he would have had under the Waterworks Clauses Act of 1847.

1906. He is to take into consideration the effect of the amendment of that Act as affecting the value of the company's undertaking to be bought, is that so?—Yes.

1907. When was that Act of 1852 amended?—It has not been amended yet.

1908. Then what do you mean by telling him to take into consideration the amendment of it?—You have overlooked, perhaps, Clause 3 of our present Bill.

1909. Do you mean that it is an amendment which you are introducing into this present Bill?—If the Committee think fit to pass Clause 3 of this Bill.

1910. It is a pity you did not tell the Committee so. Do I seriously understand you that you tell me that that amendment, which is an instruction to the arbitrator to take into consideration as crippling the value of our undertaking, is an amendment which you are proposing to introduce into this very Bill in Clause 3?—You see it is.

1911. If you tell me that seriously, I must accept it from you. Now let me read Clause 3: "As from the date of this Act so much of the Special Act as excepts from incorporation therewith the Section numbered 35 in 'The Waterworks Clauses Act, 1847,' shall be deemed to be repealed; and the last proviso of Section 47 of the Act of 1852 shall be deemed to be repealed, and the said Section 35 of 'The Waterworks Clauses Act, 1847,' shall be incorporated with the Special Act." Mr. Cripps, do you seriously tell me that you are asking Parliament in the very Bill which is to authorise a compulsory transfer to repeal provisions in the existing Acts of the Company in order to cut down the value of it?—The Council consider that the time has arrived when that particular proviso ought to be repealed.

1912. Just consider! This cannot be *bonâ fide* legislation, you know, because, inasmuch as this is a Bill to take the property out of the hands of the companies, there can be no question of their being hereafter called upon to lay down mains in a competing district. Do you follow me?—Of course it is possible that Part II. of this Bill might pass alone—I do not know whether the Committee are likely to pass it.

1913. What! that the Committee would pass Part II. of this Bill?—I only say that it is possible.

1914. Is it possible; I ask you as a Parliamentary agent, is it possible?—I think so; I

Mr. *Bidder*—continued.

think it is possible. You are asking me, I take it, to explain what is the meaning of these words on page 10 of the Bill.

1915. No, I am not; I beg your pardon. You want to lead me deftly away to another part of the Bill. I am going to stick to Clause 3. This Bill is introduced by you for the purpose of compulsorily buying, as from a certain date, the undertaking of the Southwark and Vauxhall Company?—That is not the effect of Part II. of the Bill.

1916. Is not this essentially a purchase and transfer Bill; is not that its scope?—Yes, I think so.

1917. Then, if that Bill passes and the Southwark and Vauxhall Company's undertaking is transferred to the London County Council, there is no more Southwark and Vauxhall to compete or supply water or do anything?—That would be so.

1918. Therefore there can be no *bonâ fide* idea of legislating with a view to compelling the Southwark and Vauxhall Company to lay mains in the future?—That would be so.

1919. Then this is a clause not introduced for any *bonâ fide* purpose of regulating the conduct of the Company, but simply and solely to cut down the purchase-money?—Well, the Council think the time has arrived, ——

1920. Just answer the question. Is not the simple and sole object of the introduction of Clause 3 in the Bill to cut down the purchase-money of the Southwark and Vauxhall Company?—Well, I think it would have the effect of reducing the purchase-money which the Company might otherwise claim.

1921. Is not that the only object with which it is introduced?—Well, I tell you it was not the only object with which it was introduced.

1922. What other object do you suggest?—Because it was thought when the Bill was framed that it was possible in the development of the case that Part 2 of this Bill might be proceeded with and no more.

1923. Do you mean that seriously?—I tell you it was so thought when the Bill was introduced.

1924. So that in the event of your not being able to purchase us, you might give us a kick as we went out of the door?—No, rather that we should give the consumer a right to have that water at that price which he really ought to have had, and which you prevent him from having.

Mr. *Bidder*—continued.

1925. And do you present it to the Committee as a reasonable and fair, and admissible thing, when you find in the Act of the Company which you propose to take compulsorily, a proviso of a protective character which adds to the value of their undertaking, to ask Parliament in your purchase Bill to repeal that proviso in order that you may cheapen the thing you are buying?—I can only answer that by saying that the Council thought that the time had arrived when the proviso ought to be repealed, and if they could justify its repeal to the Committee, then the arbitrator, of course, would have to take into account, or would have regard to the effect of that repeal.

1926. And by one of those curious coincidences that do sometimes occur, the time had arrived for cutting down our protection simultaneously until the purchase by the London County Council?—Well, the Council thought it really was not reasonable in all the circumstances of the case that you should go to an arbitration, starting upon the basis of being entitled, or claiming that you were entitled, to the largest income which you could get by exercising your full maximum powers.

1927. I have here Mr. Burdett's book, and Sir William Harcourt is there represented as answering, as Chancellor of the Exchequer in 1883, a Deputation on the London Water Question, apparently directing itself to this matter, or very nearly to it, and he says: "I cannot myself accept the proposition that you could deal with the water companies, or any other person by simply repealing their rights, and making their rights what you choose them to be." That looks very like what you are trying to do here. Do you remember that saying of Sir William Harcourt's.

Chairman.] On what occasion was that?

Mr. *Bidder.*] That was in answer to a deputation in 1883 on the question of the Water Meter Bill for London. It was a proposal to repeal and alter the clauses.

The Witness withdrew.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 29*th May* 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Sir H. Stafford Northcote.
Right Hon. D. Plunket.
Mr. Biggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HON. D. PLUNKET in the Chair.

Mr. HENRY LAWRENCE CRIPPS, recalled; and further Cross-examined, as follows:

Mr. *Bidder.*

1928. AT the outset I have one note from the Proceedings of 1852, which I had not before me, and which throws a light on the narrative you were giving the Committee yesterday, and throws a light also on the proviso of that clause in the Southwark and Vauxhall Company's Act of 1852, and the corresponding clauses of the other company's Act; have you got the Proceedings of that Committee of 1852 of the 7th June?—I have not them at the moment before me; I am more or less familiar with them, I think. I will get them.

1929. Perhaps, to save time (you can verify it afterwards) let me ask this: Lord Seymour, I think, was Chairman of the Committee, was he not?—No, he was not.

1930. He was a Member of the Committee then?—He was a Member of the Committee.

1931. That will do for me?—He had introduced the Bill of 1851, but, of course, the proposals of 1852, subsequently introduced, were introduced at the instance of the Government.

1932. Will you look at page 758 of the Proceedings of that Committee; on the 7th June 1852 you will find Lord Seymour says with reference to that subject: "We wish to exempt you from supplying the whole district which you take in your Bill because portions of it you have given up to other companies." Then he goes on to say: "We do not wish to force you to carry your pipes into the Grand Junction District or the West Middlesex District, but we want to have you compellable to carry your pipes into any suburban district whenever it becomes built on." That appears to be an explicit statement on the part of the Committee, does it not, that their object was to prevent the companies being compellable to carry their pipes into a district already supplied by another company?—I think not. That was the point I was referring to yesterday. You see the proceedings which you are alluding to now were on the East London Waterworks Bill on the 7th June 1852. The Southwark and Vauxhall Bill had passed the Committee and had been reported, I think, a month previously; but I can find that out from the Journals, as it is rather important.

1933. You need not trouble your head about

Mr. *Bidder*—continued.

any particular Bill. Do you really say that when Lord Seymour said, "We wish to exempt you from supplying the whole district because portions of it you have given up to other companies," that he did not mean that that would not force the company to go on laying pipes in a district already supplied?—I say, to begin with, that that had reference to the East London Company, and not to the other companies.

1934. I will settle that if you raise that point, because if you look at the bottom of the same page Lord Seymour says, "A clause must be put into all these Bills to the same effect"?—Yes, that was so.

1935. And a clause was put into all those Bills to the same effect?—That was so.

1936. And with the same object?—Yes. May I explain that between the date in May, which I was first referring to, and this date in June, a great deal had occurred—the whole of the discussion, in fact, upon the charging powers of the companies and the way in which they would be controlled and regulated.

1937. Yes; you can do that if you think it desirable; I do not object. Now I am going to something else. I have your evidence of yesterday before me, and I have got exactly what you said on the one subject I was cross-examining about yesterday, and I want to draw your attention to it. It is page 235 of yesterday's minutes, Question 1725. I need not read the question; I will read your answer: "I think that the arbitrator should consider whether he is to assume that an income derived from charging the maximum rate in all cases is one which he ought fairly to take into consideration, or whether he ought not on the other hand to give effect to the pledge given by the companies, and treat the statutory maximum income which these companies might levy as resulting from a rate which ought to be receded from in the majority probably of instances." That is your answer of yesterday. I understand, therefore, as the foundation of that, that you put forward the utterances of the late Serjeant Wrangham and other gentlemen as constituting pledges by the various companies to Parliament to reduce their rates?—I put them forward really as——

1938. Would

Mr. *Bidder*—continued.

1938. Would you say yes or no? Am I right in understanding that you put forward those utterances which you quoted as constituting pledges by the companies to Parliament to reduce more or less their rates?—It was not a pledge to reduce.

1939. Cannot you say yes or no?—No, it was not. It was not a pledge to reduce their rates.

1940. Then what do you mean in this answer by the words "the pledge given by the companies"; what was the pledge?—It was a pledge that they would not charge their maximum rates; that the maximum rates which they were then asking power to charge were not to be exacted except in a few extreme cases—a pledge that they should be receded from in the majority probably of instances.

1941. You draw a distinction between reducing the rates below the maximum, and in charging the maximum. I accept that, though it is rather a fine point. Then you represent to this Committee that the company by their counsel, or their witnesses, or both, gave pledges to Parliament in 1852 that in the majority of instances they would not charge their legal maximum?—They did give those pledges.

1942. Is that your position?—Yes, that is my contention.

1943. And that they have broken those pledges?—I believe so.

1944. And that therefore Parliament ought to remedy the breach of faith, and punish them by a compulsory reduction of their rates?—No, I do not say that. I suggest that that particular pledge ought to be under the consideration of the arbitrator, so that he should have regard to it.

1945. Stop a moment; surely if the companies have given pledges to Parliament, and have broken those pledges to Parliament, Parliament is the proper authority to rectify that breach of good faith?—I agree there is a good deal to be said in favour of an application to Parliament to reduce the charging powers of the Lambeth, and Southwark and Vauxhall Companies—both of them.

1946. On the ground of breach of faith of these pledges in 1852?—Yes, that amongst others.

1947. 1852 is now 43 years ago. How many times have all these companies been in Parliament since 1852; may I say scores of times?—A good many times. I think I have referred to 20 Bills which have been introduced since 1880, and I cannot tell how many were introduced before.

1948. I think on every recent occasion either the London County Council or the Metropolitan Board of Works, their predecessors, have been present as petitioners, and discussing the terms and adjustments of those Bills?—Subject, of course, to the difficulties which we have already explained, they have. The Metropolitan Board of Works were not always present, because you succeeded in getting them surcharged in respect of their expenditure in opposing the Bills.

1949. And the rates of the companies, I think, have been before Parliament since 1852?—

Mr. *Bidder*—continued.

There has never been any complete reconsideration of the charging power of the companies, so far as I am aware.

1950. I want your careful attention to this question: Has the London County Council or their predecessors, the Metropolitan Board of Works, or anybody for that matter, ever on any one of those numerous occasions, when the companies have been before Parliament, suggested there has been any breach of faith and departure from pledges given in 1852?—I do not know. I do not think the question has ever been raised.

1951. So far as you know, there has been no attempt in all these 43 years to allege breach of faith against any one of these eight companies?—It has been constantly spoken of, of course, but it has never been before Parliament.

1952. What you talk about in your council chamber I do not care about; but am I not right in saying there has never been an attempt to suggest to Parliament that any one of these companies has been guilty of breach of faith in respect of pledges given in 1852?—Yes; first of all, until 1888 there never was any representative municipal authority for the whole of London to deal with these questions. Next, up to 1892, there was no power on the part of any local body representing London to introduce Bills into Parliament dealing with these matters.

1953. Did my ears deceive me. Whether there was a proper representative body I agree with you, but whether there was a proper representative body or not, were not you describing to the Committee how the county council came for Bill after Bill, and you insisted on sinking fund clauses being put in in the public interest?—There was a limited protection, of course, obtained in many of the Acts as a condition for the companies raising additional capital.

1954. But you, for the county council, have been here time after time representing the water interests of the metropolis, asking Parliament and getting from Parliament an insertion of clauses in the interest of the public?—We have been here on the limited question, of whether or not the companies were asking a larger amount of additional capital than was necessary, and subject to what conditions the companies should be empowered to raise such additional capital as was necessary.

1955. But the question was only limited by what you chose to bring forward, and you have given me an answer that nobody has ever made such a suggestion before. Do not take me as admitting the evidence you quoted yesterday, but I do not want to weary the Committee with it. I pass from that to ask you one or two general questions upon Clause 7 of the Southwark and Vauxhall Bill or Clause 6 of the Lambeth Bill, the arbitration clause?—The terms of the clauses are identical in both Bills, except that there are three lines in the Southwark and Vauxhall Bill, at the top of page 10, which are not in the Lambeth Bill.

1956. I want to ask you particularly before I ask you generally, on the principle of the clause, this question. You say that among other things the arbitrator shall have regard to "the adequacy

Mr. *Bidder*—continued.

quacy and efficiency of the present source of supply and the reservoirs," and so on, "and the probable necessity of the future introduction of a new source of supply, and the legality of the charges now made or claimed by the Southwark and Vauxhall Company." I draw your attention to those two particular matters. You claim, do you, that the arbitrator shall have regard to these questions—the sufficiency of our sources of supply, and the legality of our charges?—Yes.

1957. Do you mean that he should inquire into the question, and ascertain whether our sources are sufficient and our charges are legal or in excess of what is legal?—Yes.

1958. Do you propose at all, before this Committee, to give evidence, and go into the question of whether our charges are legal, for instance; or are you going to leave that to the arbitrator?—Of course, the length of this inquiry is rather limited by the period of the Session. I do not think we do propose to do more than suggest to the Committee what we hope will be sufficient reason for making it clear that the arbitrator should have power to consider those matters.

1959. Then it is for him to decide those questions, yes or no, on those matters?——

Chairman.

1960. You say it is for the arbitrator to decide, yes or no. What do you mean exactly by that?—I do not think it was our intention—certainly not my intention, and subject to what Counsel may say, I do not think it is the intension of the clause that the arbitrator should take the place, as regards legality of charges, of a court of law. He should be empowered to inquire into the question of legality, and have regard to that question; but if he desired a decision as to the legality of a particular charge, I do not think there is anything in this clause which is intended to enable him to give a decision on his own account, but that it would rather have to go to the Courts to decide, first of all, the question of legality.

Mr. *Bidder.*

1961. In fact, that he should state a special case, or something of that sort?—Yes.

1962. And that then the thing should be threshed out through the various Courts to decide whether our charges are legal?—There are so many points that it is difficult to say exactly what form the inquiry would take.

1963. But that is the sort of idea in your mind?—Yes.

1964. Then inasmuch as you do not propose to give evidence before the Committee, and you leave it to the arbitrator, helped by the Courts in future, why do you ask this Committee to decide the question offhand against us?—We do not ask the Committee to decide any question offhand against you.

1965. Do you not. Will you kindly turn to page 5 of the preamble of the Southwark and Vauxhall Bill, and see what you propose this Committee should assert with the emphasis and conclusive force of Parliament. In page 5, line 19, of the preamble of the Bill you are asking this Committee to say, "And whereas the Southwark Company have exhausted the powers of drawing water from the Thames conferred on them by Parliament, and cannot legally and efficiently supply the requirements of their district, and have charged, and are charging, the consumers of water in their district rates for the supply of water drawn by the Southwark Company from the River Thames in excess of their legal power"?—I think, having regard to the course which we have now taken in this matter, that the recital in the preamble goes further than we intend to prove before the Committee. It might be contended, on the part of the Council, that that is not so. If you wish me to go further into it, I can.

1966. Allow me to draw your attention to this. In your Bill, as deposited, and not a word has been suggested up to this moment as to withdrawing or altering any portion of the preamble; it has passed *sub silentio* until this moment. Not only is that placed in the preamble, but it is given as the reason why it is desirable to transfer to a public authority. You say, wherein we have exhausted our powers, and cheated the public (you do not use the word, of course), by charging in excess of our powers, and our storage is insufficient, it is expedient we should be transferred to the London County Council; so that you are actually proposing to take this Bill in a form which would condemn us as a company who were at the end of their tether as far as water was concerned, and send us before an arbitrator who is to take that into consideration, and that we had been convicted by Parliament of that offence?—What is your question?

1967. I say that is really what you have been proposing to this Committee to do?—Yes.

1968. And you then make a pretence in Clause 7 of leaving it as a matter for the consideration of the arbitrator?—Shall I explain to you what we intend to cover by that clause in the preamble?

1969. When you have answered. The ordinary rule is answer first, explanation afterwards?—The proposal of Clause 7 is that the arbitrator should have regard to the particular matters which are set out in that clause.

1970. But allow me to remind you that five minutes ago you were telling the Committee he was to consult the Courts, if necessary, as to whether our charges were legal or not?—Yes.

1971. And yet if your preamble be passed as you propose, it could not go to the Courts, because Parliament would have already decided the question?—I have already explained to you that, in my opinion, having regard to the course which we are now taking with regard to this Bill, we should not give evidence which would justify that paragraph of the preamble in that form.

1972. So I gather, and so I expected all along; but you never suggested to the Committee that you would not ask them to pass the preamble in that form?—That would be on the opening speech. I am not sure how it was dealt with.

1973. It is not on the opening speech. Very well, I will pass from that; I wish to put a few questions on the general principle of the clause. Is not the general principle on which water com-

Mr. *Bidder*—continued.

panies and undertakings have been compulsorily transferred, or may not I take it as the typical clause that which I put before Mr. Charles Harrison, at page 110 of the evidence, Question 855. It is one out of many. I have no doubt you can produce scores of them, but I suggest to you whether this is not a fair example of the ordinary clause which is adopted in the compulsory transfer of water undertakings. It is the Ambleside clause: "The company shall sell, and the Council shall purchase the undertaking of the company for such price or consideration, and on such terms and conditions as may be agreed upon between the company and the Council, or as, failing such agreement, shall be determined by arbitration, in accordance with the provisions of the Lands Clauses Act, with reference to the purchase and taking of lands otherwise than by agreement, and in the construction of the said provisions the expression, 'the promoters of the undertaking' shall mean the Council, and the expression 'land' shall mean the undertaking of the company, provided that for the purpose of any such arbitration the sale and purchase shall be deemed to be a sale and purchase by compulsion and not by agreement." Is not that the ordinary form?—I do not think there is any ordinary form, or anything you can call one ordinary form over another. I do not know the Ambleside case myself.

1974. Blot out the word Ambleside; have you one word to say against that clause as a model clause for the compulsory purchase by an authority of the established waterworks in their district?—Yes. I might point out this: I think you waved before Mr. Harrison three different Acts of Parliament, or two, at all events, as being instances of that as a model form.

1975. Never mind Mr. Harrison.

Mr. *Freeman.*] You asked him whether that is not an ordinary form, and he is answering your question now.

Mr. *Bidder.*] That is not my question. Never mind whether it is Ambleside or Jericho or anywhere else, have you any criticism or objection to raise to that as a fair clause for the providing for the compulsory transfer of the undertaking of an existing water company to the local authority?

Witness.] Yes; I do not think it would be appropriate in this case. I do not agree that it is a model form.

1976. Would you mind leaving this case alone for one moment. I ask the question generally. I put aside Ambleside and I put aside London, and I ask you, have you any adverse criticism to make to that clause as a fair provision for the case of a compulsory transfer of the undertaking of an existing water company to a local authority?—I can only say this, I have no doubt it was a right and proper clause in the case of the Ambleside Act.

1977. Now put aside Ambleside and put aside London; speaking in general terms, is there anything in that clause which you think is unfair and improper?—Yes. I would very much rather take the other clause which you put to Mr. Charles Harrison, the Northwich Clause.

Mr. *Bidder*—continued.

1978. You would like Northwich better, would you?—Yes.

1979. I will refer to Northwich. I notice that is avoiding answering my question, but I shall come back to it?—I will read it: "The price in default of agreement shall be such sum not being less than 8,000*l.* as such arbitrators or umpire shall ascertain or determine to be the value of the said undertaking to the purchaser."

1980. You do not read quite fairly; you did not mean it, I daresay, because you have omitted the operative words in the clause: "The local board shall purchase the undertaking of the Limited Company, and that company shall sell the undertaking at a price to be agreed upon, or, failing agreement, to be determined by two arbitrators or an umpire under the provisions of the Lands Clauses Act." About as identical with the clause I gave you as well could be?—But I thought you were asking me——

1981. Forgive me; I was asking you whether the clause in Question 855, as a general clause, applicable to such a case, was a fair clause, or whether you had any objection to it. You have led me up to this Northwich clause, and I will discuss it. It seems to me the Northwich clause is exactly on all fours with the one I quoted to you: "Within a certain period the local board shall purchase the undertaking of the Limited Company, and that company shall sell the same at a price to be agreed upon, or, failing agreement, to be determined by two arbitrators or an umpire under the provisions of the Lands Clauses Act." You are content with that, are you?—Will you finish out the clause. If the companies would offer us that same clause we should consider it, and I think it would go a long way to meet the case.

1982. I am not offering a clause; I am opposing the Preamble?—But you offered this clause to Mr. Charles Harrison; you put it before him as a precedent.

1983. You display great ingenuity in leading one from the question, which it is difficult to combat, but I shall try to do so. I put to you the clause set out in Question 855, and I ask you, have you any objection to that as a fair clause?—Yes.

1984. Your answer to me is: "I prefer the Northwich Clause." Now, I read the Northwich Clause, which is the clause you say you prefer, and I ask you, how does it differ from the Ambleside Clause?—Because, according to the Ambleside Clause, as I read it—of course, I do not know the facts of the case—the arbitrator would proceed on the ordinary basis of the company's statutory income, and would have the purchase-money upon that. Under the Northwich Clause he would have to consider what was the value of the undertaking to the purchasers. Now, that shortly expresses what we seek to provide here. We do not want both to have to buy this undertaking as if it was sufficient for all purposes and all time, and then to have to superadd to that the cost of making it efficient. We want to buy it on what is the fair value of the thing itself to the purchasers. That is what Parliament has indicated in the Northwich Clause, which you suggest.

Mr. *Bidder*—continued.

1985. Do you consider the value of a thing is what it is worth; what it is worth is what it is worth to anybody. Have you had much practical experience in compensation cases?—I have been in the middle of these arbitration cases and arbitration clauses for the last 20 years.

1986. But have you had any experience in the practice of compensation cases, and the conduct of these arbitrations?—It is not my business at all; I am concerned in drafting and settling clauses, and advising on the interpretation of statutes, and only very incidentally and rarely in the actual conduct of cases before arbitrators.

1987. Let me bring that to a point. Your criticism of the Ambleside Clause, which I present as a typical clause, is, that you prefer the Northwich Clause because it has "value to the purchasers" instead of "value"?—Yes.

1988. But let me meet you on the question of principle. Under the Lands Clauses Act, and under the clause in Question 855, it is the duty of the arbitrator to ascertain the value of the undertaking, is it not?—Yes; we know, of course, the process adopted.

1989. And, of course, you are aware, I presume, that it is not only competent to the arbitrator, but it is his absolute duty in ascertaining that value, to take into consideration every element which legitimately affects it either one way or the other?—I think most legal authorities would not agree with you. I doubt whether Mr. Bidder himself would agree with his own proposition.

1990. Never mind whether I would agree; that is not the question for the Committee; the question is, what is your answer to my question. (The shorthand writer read the question. (*Q.*) And, of course you are aware, I presume, that it is not only competent to the arbitrator, but it is his absolute duty in ascertaining that value, to take into consideration every element which legitimately affects it either one way or another)?—No, I do not think it is. It is the duty of the arbitrator, under the Lands Clauses Act, to ascertain what is the value of the land to the owner of the land, and not what is the value of the land to the parties who buy it.

1991. We need not bother our heads about land?—Well, if you apply the Lands Clauses Act to an undertaking, it is the same. If you apply the Lands Clauses Act simply to the ascertainment of the value of an undertaking—of course, I do not profess to give a legal opinion of my own—I think it would generally be perfectly well known if you applied that Act to the ascertainment of the value of an undertaking, the arbitrator must ascertain the value of the undertaking to those to whom it belongs, and not the value of the undertaking to those who are going to buy it.

1992. Why not?—Why not? Because in this case, unless all the circumstances which affect its value——

1993. Just consider. Supposing I have an undertaking which is good to produce me, and is producing me, 1,000*l.* a year, and on all the evidence, after making every allowance for outgoings and expenditure that I have to face, the probabilities are that it will go on producing me 1,000*l.* a year; that undertaking is worth to me, on the basis of 20 years' purchase, 20,000*l.* Do you say it would be fair to cut me down and make me take less than 20,000*l.* because the purchaser is restricted in some way which prevents his utilising the undertaking when he has got it?—I think it——

1993A. Do answer my question. You never answer a question by any chance; I insist upon having an answer?—I think, in the first instance, in a case of this kind, the disability of the purchaser to obtain the same value from the undertaking as you are now getting, is something which might be taken into consideration, but I go further than that. I think that in the first instance the real question is whether the income which you are getting, on which you claim to be compensated, is a legal income, a reasonable income, and a proper income.

1994. Whether it is a legal income, of course, is a question the arbitrator would be bound to go into if it were raised, would he not?—I doubt it very much.

1995. Do you suggest that if, as a matter of fact, we have been getting our income by cheating the public, it would not be open to the County Council to show the arbitrator that we were making improper charges, and that our income, confined to our legal maximum, would be so much less?—I have already said, in answer to a similar question, that I think it would be very difficult to contend that an arbitrator would not take that fact into consideration, provided he is in a position to ascertain the exact questions of legality or illegality.

1996. May I ask you this. You have told me very frankly that it is not your business to conduct or take part in arbitrations, and you have no experience of your own. Have you any authority to cite for that proposition, or any opinion of counsel in support of it?——

Chairman.

1997. I must have misunderstood the last answer. I understood you agreed with the proposition of Mr. Bidder, did you not. I thought you said it would be difficult for the arbitrator to refuse to take into consideration, if he had means of ascertaining through a legal tribunal or otherwise, if the charges were fair or not?—I think he would; but would you kindly allow me to explain the difficulty in my mind on that point. Assume for the moment that there is a *bonâ fide* question as to whether certain charges of the Southwark and Vauxhall Company, for instance, are legal. I do not assert the fact one way or the other; but assuming there is a *bonâ fide* question. At the present moment those charges are paid; the consumers pay them. Nobody goes to law for the sake of 5*s.* or 10*s.*, or whatever it may be. The companies get that income; actually get it year by year, and they get it for ever so long. Surely it would be quite possible for them to contend before an arbitrator: "You must take that fact into consideration," just as Mr. Bidder puts it, "so long as we have this concern, we shall get that income."

Mr. *Bidder.*

1998. Not if it is illegal, because the consumer or the County Council in the interests of the consumer, might raise the question, and go to the courts and put a stop to it?—On the contrary; when the local authorities sought to raise one of those questions, the company, whether your company or the Lambeth Company, I forget now, applied to the Court for an injunction to prevent them spending their money for the purpose, only within the last few months, and the court held that the local authority, as local authority, had no power to expend their funds in that manner, and the proceedings therefore dropped.

Chairman.

1999. I think the point the Committee would like to understand is this; in the first place, what is there to prevent the arbitrator, supposing the case is argued in the way you suggest before him on behalf of the County Council, and these charges are illegal under the earlier part of this Clause 7 in the Southwark and Vauxhall Bill, having regard to all the circumstances of the case, considering that, I do not mean to say as a thing that ought to be an element in the price, but as a thing he is to come to a decision upon. What is there to prevent, if necessary, the question being raised before a court of law as to the legality of these charges, not by a ratepayer, but by one of the parties to the arbitration?—I think, sir, as I have endeavoured to explain before, an arbitrator would, under the words which you have read at the commencement of the clause clearly have power to entertain a question of the legality of particular items of charge.

Mr. *Bidder.*

2000. Then you and I agree?—Yes.

Chairman.

2001. And he would necessarily have a right to take the opinion of a court of law upon it?—I think he would have the opportunity of stating a case.

Mr. *Bidder.*

2002. Then we are agreed about that. Now, will you point to any question which would be a proper element in the consideration of value which he could not take into consideration?—May I endeavour to illustrate that by reference to your own company?

2003. No; by reference to my own company's Transfer Bill you may. I will put it in another form. For example, take Clause 7 of the Southwark and Vauxhall Transfer Bill. There are a great many things which it is suggested the arbitrator should have regard to, many of which I agree are proper elements of value, and which should be considered, and others which I think it is extremely improper to suggest the arbitrator should consider. Will you point in that list of matters which the arbitrators are to consider, in your clause on page 9, to any one which is a proper element of value, and which you venture to say he could not consider without any direction?—Take them all through, from beginning to end.

Chairman.] "Would not be entitled to consider."

Mr. *Bidder.*] Quite so; which he would not be entitled to consider—which it would not be within his power to consider without any special direction.

Witness.] I will take paragraph 1, for instance—the first head.

2004. Do you say he would not be able and entitled to consider the condition and state of repair?—You must read the whole: "together with any liabilities or obligations in connection with their undertaking which the Lambeth Water Company may reasonably be required or expected to incur."

2005. Do you not think we had better stop before the word "together." Do you mean to say that down to that word he is not entitled and it would not be his duty to consider the condition and state of repair, and so on, and the probable future expenditure on the works?—No, I do not think it would. Let me take one particular point.

2006. Are you aware that yesterday you told the Committee distinctly he would; are you prepared to say Mr. Balfour Browne is wrong?—No; I think learned counsel are always right more or less.

2007. Let me draw your attention then to Question 1744. He says, "There is just one point that I want to make perfectly clear, because I think it is in the minds of one or two members of the Committee. There are some of these matters that by admission an arbitrator, even if he were not instructed would consider; for instance, take the simplest case, the condition and state of repairs of the reservoirs." Do you really tell us that Mr. Balfour Browne is all wrong, and that in that simplest case you venture to say he would not be entitled to consider it?—I think he would; in a general way I think he would be entitled to consider the condition and state of repair of the reservoirs.

2008. Then do you accept that legal opinion of Mr. Balfour Browne, or are you going to say it is wrong?—No, I accept it.

2009. Then we will put aside your answer that you doubt whether he could take into consideration the condition of repair of the reservoirs?—I accept it subject to this—there is one condition I should like to suggest upon it.

2010. I pass on from that and read the latter part of the paragraph, "together with any liabilities or obligations."

Chairman.] I think the witness wanted to make some qualification of his last answer.

Witness.] Yes. I think there is a certain difficulty which arises from the form of the transfer as proposed by these Bills. After this transfer all liabilities of the companies would of course have gone, and the question is whether the arbitrator would have to consider the condition and state of repair of the reservoirs as involving a future liability on the companies. Of course if the undertakings were remaining in the hands of the companies, they would from time to time have to execute repairs of their reservoirs, but after the whole of the undertaking has been transferred bodily, as proposed under these Bills, to the London County Council, there would be no longer existing any liability to the company to repair in any way their reservoirs.

2011. I should

Mr. *Bidder.*

2011. I should think not; after the Council had taken over the property they would take over the liabilities?—But it seems to me unless you expressly direct the arbitrator to have regard to the condition and state of efficiency of the reservoirs, it is very doubtful whether or not he would be able to make a proper allowance in respect of them as against the company's purchase-money.

2012. Then you do mean to say, do you, that Mr. Balfour Browne is wrong, and that you do not accept his opinion. You did accept it yesterday, you know?—No, I quite accept it in this sense.

2013. You either accept it or you do not. He stated it as a legal question, and Mr. Balfour Browne has had a large experience, as we all know, on compensation cases, and has written a book on the subject, and he is one of the two counsel, you know, who you say you are acting on the advice of. He says some of these matters the arbitrator would take into consideration; for instance, taking the simplest case, the condition and state of repair of the reservoirs. I want it plainly. Do you accept that statement in its entirety, or do you wish to suggest Mr. Balfour Browne is wrong in his law?—I have already said I accept it subject to this point. I am not quite clear whether or not that would not be altered by reason of the fact that the undertaking of the Company, the value of which is to be ascertained, would have been already transferred under these Bills to the London County Council before the valuation was undertaken.

2014. May I point out to you that that is one of the features of your Bill we strenuously object to, and that can be cured by making your Bill in the ordinary form, viz, that you get the property when you pay for it?—That particular doubt, of course, would not exist if this were a purchase in the sense of a purchase under the Lands Clauses Act; that we agree to.

2015. I know if it were a purchase under the Lands Clauses Act, none of these difficulties would arise. I agree, but you are really suggesting to the Committee that because you have chosen to put your Bill in this abnormal form of taking the undertaking before you assess the value of it, an arbitrator might be shut out from considering what the outgoings were likely to be and the repairs. Do you really suggest that seriously?—Yes; I really suggest it as a thing that ought to be carefully considered in reference to this particular case.

2016. Have you any authority, opinion of counsel, case, or legal text-book whatever in support of such a suggestion?—No, I can find no precedent for the state of things which exists here, or for the way we propose to deal with them.

2017. I pass on. Will you kindly cast your eye down the rest of the instructions to the arbitrator in the clause, and answer this question: Is there any one which is a proper subject for the arbitrator to take into consideration as an element of value which you will venture to say he would not be entitled to take into consideration in a general arbitration under the Lands Clauses Act?—Yes.

Mr. *Bidder*—continued.

2018. Which?—Speaking generally, I should say nearly all of them.

2019. Do not speak generally?—Then I will speak practically. I will take the efficiency of the mains—the condition and state of repair of the mains.

2020. That is the one we have done with?—No, you were dealing with reservoirs.

2021. Are you going to draw a legal distinction; do you say, as a matter of law, the arbitrator might inquire into the condition and state of repair of the reservoir, but not the pipes. Do you assert that as a proposition of law?—I assert there are difficult questions connected with the state of the mains which differ from questions in connection with the state of the reservoirs.

2022. Are you seriously telling this Committee that you assert as a proposition of law—of law, mind—that although an arbitrator under the Lands Clauses Act can inquire into the condition and state of repair of the reservoirs, he cannot, as a proposition of law, go into the condition and state of repair of the pipes?—Yes, I do. The condition of the Southwark and Vauxhall mains is such that there has been a complete breakdown in all the distribution of water——

2023. You are going into facts now, not law?—I only take the fact to explain my argument.

2024. Do not let it be said I am preventing you giving any explanation, but remember it is a question of law, not of fact?—At the present moment the mains of the Southwark and Vauxhall Company have been laid, as I venture to suggest, not with proper efficiency, but in a scrambling way, so as to enable the company to obtain the largest amount of income during the present time, and in view of a probable purchase. Those mains are laid for the most part (or, at least, to a great extent) so near to the surface of the roads, and so insufficiently protected, that there is great risk of a complete breakdown in the event of a frost. You must remember this Bill was framed before the late winter, and the winter has most clearly exemplified, I suggest, the importance of this particular matter.

2025. May I ask you, has the late winter changed the law?—No; but it has given a very effective illustration.

2026. No; the Bill having been deposited before the late winter, you can hardly quote it as a reason why you put these paragraphs into your section?—Yes, I can.

2027. You shall not run away up that bye-lane. Let me bring you back to the point. You have asserted as a proposition of law—of law, mind—that though an arbitrator under the Lands Clauses Act can inquire into the condition of the reservoirs, he cannot inquire into the condition of the pipes. Now, I ask you, have you any authority whatever, text-book, or decision or opinion of counsel, to support that proposition, because it is an astounding one to us. I venture to assert, challenging you as a lawyer, that it has no foundation whatever?—I cannot say anything more about it than that. At the present moment this company, with its

Mr. *Bidder*—continued.

mains in their present condition, is able to divide a certain income; the reason why it can divide that income is this: it has not spent the proper amount of money in putting its mains into what we should consider a proper condition. Had those mains been so laid as to be perfectly secure against any interruption by means of frost, further capital must have been spent, and there must have been a further deduction by way of interest before the net income of the company available for dividend was arrived at. At the present moment, notwithstanding all that, the company is dividing a certain income. It has taken the risk of the thing. This last winter may have upset all their calculations. I do not know; but the company has taken the risk of that, and therefore is able to divide a certain income. Now it is not fair we should have to buy the Southwark and Vauxhall undertaking on the basis of the income now divided amongst the shareholders, unless you take into account the fact that these mains are so laid that an immediate large expenditure upon them would be proper even if the thing were left in the hands of the Company, and will be absolutely essential directly the thing is transferred to the Council.

Chairman.

2028. But supposing it is so, what is to prevent the arbitrator from going into that question, quite as much as going into the condition of the reservoirs and filter-beds?—I think, sir, that the company would submit to the arbitrator, "Whatever you may say about the condition of these mains does not affect us; the mains are in such a state that we have always got our income, and we have got our income."

2029. My question is not as to what conclusion the arbitrator would arrive at. He might agree with you, or he might not; but what is there to prevent him going into the question if it is submitted to him, just as much as going into the question of the reservoirs and filter-beds, which you have agreed he could go into I do not say what conclusion he would arrive at; but why should he not consider it?—My notion is that there is this reason, that the companies would claim that their purchase money must be based on a certain number of years purchase of their divisible income.

Mr. *Bidder.*

2030. I quite agree with you; no doubt it would be so?—Yes; that would be so. And I doubt very much whether, in the absence of some direction, an arbitrator could consider the fact that the mains are in such a state that it certainly is reasonable and proper that they should be relaid at a much greater depth.

Chairman.

2031. But would not those be some of the circumstances of the case under the earlier part of the clause?—I rather doubt it, sir. We certainly think that that is an element which ought to be taken into consideration, and if it ought to be taken into consideration it would be well that it should be clearly indicated that it should be taken into consideration.

Mr. *Bidder.*

2032. I do not want to prolong this particular point; but, at any rate, I shall not misrepresent you in saying hereafter to the Committee that you can produce no authority whatever of any kind, enactment, decision or text-book, or opinion of counsel, in support of your suggestion, that whilst an arbitrator could go into the condition of the reservoirs, he could not go into the condition of the pipes?—No. But allow me to say that I meet that, of course——

2033. Of course, if it is an explanation, I am bound to admit it; but may I appeal to you in the interests of time?—Very well; I will wait until Mr. Freeman asks me.

Chairman.

2034. You had better finish your answer, as it is very important?—I would respectfully suggest that the answer to it is this: that we have here a state of complication and confusion which is the result of proceedings during the whole of the last century of a nature which has never existed in any other case in the United Kingdom. No such state of things has ever had to be dealt with by law or arbitration or by Parliament before.

Mr. *Bidder.*

2035. May I suggest that that is not an explanation of the answer?—Therefore, of course, I cannot find you any precedents for the particular manner in which we propose to deal with the state of circumstances which I say is unprecedented.

2036. I did not ask you for a precedent for the particular manner in which you propose to deal with the question; I know you have not got a precedent for that; but I was asking you for a precedent, which you admit you have not got, for your proposition of law.

Chairman.] Some members of the Committee wish to be quite clear whether Mr. Cripps can or cannot give any authority in support of that view.

Witness.] No. I say that the state of things is unprecedented.

Sir *James Kitson.*

2037. The question we really want you to answer is, can you give us an instance where an arbitrator has not taken into consideration the question of the pipes, and the condition of the pipes and services; can you give us such an instance?—No, I do not think I can. I can of course point the attention of the Committee to more than one case where for one reason or another it has been thought necessary to put the arbitrator in a different position to that in which he would be under the Lands Clauses Act, for instance. This case I have just referred to.

Mr. *Bidder.*

2038. Were not your firm engaged in the Falkirk case, which became an Act in 1894?—No: I do not know the facts of it.

2039. Would you be surprised to hear that in that case the Corporation——

Mr. *Freeman.*] Mr. Cripps has just said that he knows nothing about that.

Chairman.]

Chairman.] It is hardly worth while asking about it, as Mr. Cripps says he does not know anything about it.

Mr. *Bidder.*

2040. Very well, sir, I will pass on. (To the *Witness.*) Again, giving you the whole range of Clause 7, have you any other of these instructions which you venture to tell the Committee the arbitrator would not be entitled to take into consideration under the Lands Clauses Act without instruction?—Yes.

2041. Which?—There are several of these points.

2042. Do not say several, take them one by one?—Going back still to the first head——

2043. I thought we had done with the first head. I will go back, if you wish, but that is the reservoirs, and I thought we had settled that?—Well, take "Any liabilities or obligations in connection with their undertaking which the Southwark and Vauxhall Company may be reasonably required or expected to incur."

2044. Do you venture to assert to the Committee that an arbitrator is not entitled to take those into consideration?—I think so, because those liabilities must depend, in a great measure, upon the probabilities of future action on the part of Parliament.

2045. But do you know that arbitrators do take into consideration questions of that kind, and have done so over and over again?—Of course, there have been several cases where an arbitrator has been given express powers.

2046. Without express power. Again, have you any authority whatever for that proposition?—No; I have already explained that the circumstances here are unprecedented.

2047. I am not asking you about the circumstances; I am asking you about the propositions of law, and the powers of an arbitrator. Is there any other matter which you venture to suggest the arbitrator could not not take into consideration?—No, I think that practically covers nearly all this clause. We have the Report of the Royal Commission and we have various suggestions made, all of which would involve very considerable expenditure on the part of the companies. Now it is quite clear that the companies would say to our arbitrator, unless an arbitrator were entitled to take the thing into consideration, "What do we care for the Royal Commission; we have already repudiated the suggestions of the Royal Commission; we are not going to spend any more money on storage or on filtration. Suppose they say that"——

2048. I suppose your counsel would say that which is right and just from his point of view. All I am discussing now is, whether those are questions which the arbitrator would be entitled to consider, and with those exceptions you admit they are. Now I come to the proviso at the end of that clause, and I want to hear what you have to say in justification of that: "Provided also that no allowance shall be made by the arbitrators in respect of any claim to make up to the prescribed rate any dividend which shall have been payable more than six years previously to the passing of this Act." I stop there for a moment. Upon what ground do you suggest that you can justify such a proposal to Parliament? It is not a question for him to consider, but you actually forbid him to consider?—We justify that by the recommendation of Sir William Harcourt's Committee.

Mr. *Bidder*—continued.

2049. Which recommendation are you referring to? Did Sir William Harcourt's Committee recommend that in purchasing the companies you should pass enactments to reduce the value of the undertakings first?—Their conclusion was that there were various courses which might be adopted. The paragraph is paragraph 9; it is a little long, but I think it is all relevant, if the Committee will forgive me. "The companies claim the right still further to increase their rates in proportion to the growth in the value of houses, and this right would have no legal relation to the augmentation in the quantity or improvement in the quality of the water supplied. If the companies were limited in the amount of dividend they could earn, as was contemplated by the Waterworks Act, 1847, there might be some reasonable restraint on their power to enhance the charges against the consumer. But the companies assert their right under the title of back dividends to escape from any such limit. Indeed, their right to do so is made one of the grounds for demanding so large a price from the public for the purchase of their undertakings. The calculations on which the agreements were founded proceeded to a considerable extent on the assumption that the claim of the companies to back dividends was established. In the evidence of Mr. Smith, the possible amount of such dividends is estimated at nearly 20 millions. The counsel for the companies contended before the Committee that the right to such dividends might be carried back to the origin of the company, which accounts for the astounding figures given in the case of the New River Company of 15,000,000*l.* as the amount of back dividend. The counsel for the Corporation and the Metropolitan Board of Works maintained, on the other hand, that no question of back dividend could arise till the Act which introduced a limit came into force. Without pronouncing an opinion on the legal point, your Committee must observe that if the contention of the companies is well-founded, the population of the metropolis and its suburbs, amounting to four millions of people, would be left at the mercy of certain trading companies, armed with the power of raising the price of one of the first necessities of life to an extent, practically without any limit; a situation from which the companies seem to consider there is no escape, except in the purchase of their undertakings, at such a price as they may be willing to accept. If that were the only remedy, the consequences to the consumer of the improvident legislation of the past would be indeed intolerable. But Parliament is not unequal to redress such mischiefs to the public interests. The manner in which the gas companies have been dealt with by Parliament may be referred to in illustration of the methods by which a remedy for such a state of things may be effectually provided." Then just to go on for the moment to the last paragraph, paragraph 11. The Committee say, "In the constitution of the water authority your Committee would recommend that that body should be

Mr. *Bidder*—continued.

entrusted with the largest discretion as to the best method of dealing with the water supply of the metropolis. Various courses might be adopted. It would be possible to proceed by regulation of the powers of the existing companies, as in the case of the gas supply; or by the introduction of an independent water supply; or by the purchase of the existing undertakings. It would be the duty of the water authority maturely to examine which of these schemes, separately or in combination, would be most advantageous to the public." The Council thought they could not overlook that express recommendation of so authoritative a committee, and they have therefore proposed to deal with that matter in the way indicated, somewhat on the same lines as the gas case.

2050. As you have referred me to that passage in the report of that Committee, may I ask you this: You founded it in the case of the gas companies which is referred to?—Yes.

2051. And I presume you are referring to the Gas Companies Act of 1857?—One thousand eight hundred and sixty.

2052. In which it was provided that it should not be lawful for any gas company to apply any of their profits to make up a back dividend for more than six years previously; that is what you are referring to?—Yes.

2053. Is that any precedent for this?—It is not an exact precedent, of course.

2054. Is it a precedent at all when you know the circumstances?—I think so.

2055. Let us see. In the first place, was it a purchase of the gas companies?—No.

2056. Were the gas companies going on?—Yes.

2057. Under the powers of the Act. And did they get a very valuable *quid pro quo*? You know what I mean?—I think they did get a very valuable *quid pro quo*—much too valuable.

2058. The result of which was that, being up to that time in the condition you have described these two companies as liable to mutual competition, London was parcelled out, and they were each given a monopoly?—Yes.

2059. Have you met the water companies of London to see whether they would give up back dividends on similar conditions?—No.

2060. Then where is the parallel?—There is no parallel, as has been said by a very eminent gentleman, whose observations have been already quoted here, between the case of water and the case of gas.

2061. But you have brought it forward as a precedent?—No; because what Sir William Harcourt's Committee suggested was that this question of back dividends must be dealt with, and it might be dealt with in the same manner as in the case of the gas companies. At least I take that to be the clear intention of the recommendation.

2062. I suppose when you quote Sir William Harcourt's Committee's report, you quote it as an authority for doing as was done in the case it refers to. It refers to what was done in the case of the gas companies, and something similar might be done in the case of the water companies?—Yes, it suggests there are three courses

Mr. *Bidder*—continued.

to be taken, either separately or in combination.

2063. It says nothing of the kind; the case referred to is a case where the gas companies, as you admit, in return for the most valuable monopoly which they had not got, gave up back dividends. How is that a precedent when you are buying the concern of the water companies, and cutting off their back dividends without any return whatever?—I base that suggestion upon the express recommendation of a Committee of Parliament.

2064. I know you do, and I draw your attention to the fact that you are not doing what the Committee of Parliament indicated in their recommendation, but doing something very different?—If you can suggest how we can meet the recommendation of Sir William Harcourt better——

2065. Yes, I can suggest. Let the arbitrator say what the fair value of the undertaking of the company with its present legal rights is in each case. Take, for example, this. Let me put to you one case; it is not the case of the company I represent. If I mistake not, you will tell me if I am wrong, the Kent Company is actually paying 12 per cent. per annum to its shareholders, of which 2 per cent. is back dividends, is it not?—Of course if the Committee wish me to do it, I can deal with other cases.

2066. Is that so?—That is not the case before the Committee. Shall I go into that, sir.

Chairman.] You can answer the question, and explain afterwards.

Mr. *Bidder.*

2067. Is it the case that the Kent Company at the present time are actually paying 12 per cent. to their shareholders, 2 per cent. of which represents back dividends?—I do not know what the facts as to the Kent Company are: but I do know this, as a matter of fact, that they are paying in addition to 10 per cent. annually to their shareholders something further in respect of back dividends.

2068. That will do, we will not discuss whether it is 2 per cent. or not. And that they have unexhausted unsatisfied back dividends which would enable them to continue to do that for a considerable number of years to come?—I do not know the facts of the Kent Company's case.

2069. Will you accept that from me? The gentleman who represents the Kent Company tells me I am right?—I have no doubt, as I say, they are now dividing more than their 10 per cent. in respect of back dividends, and will probably do so for some time.

2070. For the sake of argument I will take it as 12 per cent. without pledging you to that figure. Take that case: a company which, under the authority of Parliament, is entitled to divide every year 12 per cent. among its shareholders, for a good many years to come, whose earnings produce sufficient to divide 12 per cent., which is dividing 12 per cent., and whose shares are bought and sold in the market on the basis that it is a 12 per cent. yielding property: do you suggest it is a fair or a just thing to put into this purchasing Act a proviso that they should

Mr. *Bidder*—continued.

should be treated as a 10 per cent. company, and that that 2 per cent. should be ignored by the arbitrator?—We have not opened the Kent case, and I have not given evidence on the Kent case.

2071. But you know that you put a similar provision in the Kent Bill?—Yes, I do.

2072. And the principle is the same. Do you suggest to the Committee it is fair and reasonable to put in a clause of this kind that cuts them down, that tells the arbitrator, although they divide, and will divide 12 per cent. year by year, you are to regard them as if they could only divide 10?—At the present moment I do not know the facts.

2073. Accept the facts for the sake of argument, without pledging yourself to them. I will put it as a hypothetical case if you like?—I can deal with your own case.

2074. No, no. I am not going to let you turn away from the Kent case until you have answered the question. The accounts of the Kent Company are audited by a Government auditor; you have got them all, but if you do not like to admit the figures, you may take it hypothetically. Supposing there is a company which legally, under the authority of Parliament, is earning and dividing among its shareholders 12 per cent. on their capital, do you suggest it is a fair or right thing to introduce a clause into this Bill which directs the arbitrator to value as if they could only divide 10 per cent.?—I know you will say again I am not answering your question, but I am not prepared to deal with the case; but the Council base their contention as regards all these companies no doubt upon the same paragraph of the Report of Sir William Harcourt's Committee.

2075. I do not care what the Council base their contention upon. I ask you to consider my question, whether you consider it is a fair and just thing to do; you have some ideas on the subject?—Well, of course, in the present case——

2076. Do you venture to say in your opinion that it is just and fair?—I think it is a matter which ought to be taken into consideration; I do not want to go further than that.

2077. Come, Mr. Cripps. I put the question to you, Is it fair? and unless you answer that question "yes," I give you fair warning I shall tell the Committee that you, although you are a Parliamentary agent for the Council, thought it an unjust thing?—I am prepared to go as far as this, which will perhaps meet you, that there may be special circumstances in the Kent case, or other cases, which perhaps require consideration. That may be so; but you must bear in mind that Sir William Harcourt's Committee was dealing with those companies which made this claim, the Kent being one of them.

2078. You have stated that?—I would rather leave it on the Report of the Select Committee.

2079. I know you would, but I do not want it to be left to the report. Again I repeat my warning, that unless you say you consider it fair and just I shall say afterwards that you, although you are the Council's Parliamentary agent, consider it an unjust thing. Now will you say it is fair and just?—No. I have already said that I consider in the Kent case it may require consideration.

Mr. *Bidder*—continued.

2080. Very well, I will leave it, and pass on to another matter, and I am glad to say I have nearly done. The next prohibitive thing which the arbitrator may take into consideration is, "in respect of any assumed future increase of the rateable value of buildings and hereditaments within the Lambeth Company's district other than an increase due to alterations or additions involving increased supply of water." What is your ground for justifying that; altering the law, you know, and forbidding him to consider what is evidently an element in the case?—I refer first of all to paragraph 9 again of the Report of Sir William Harcourt's Committee: "The companies claim the right still further to increase their rates in proportion to the growth in the value of houses, and this right would have no legal relation to the augmentation in the quantity or improvement in quality of the water supplied."

2081. Are you reading from paragraph 9?—Yes.

2082. The language is not very fortunate, is it; "increase their rates," of course, does not mean increasing their rates, because they are at the maximum; it means getting a bigger revenue?—Yes.

2083. As a matter of fact, the companies have no right to increase their rates, have they?—You must not ask me to criticise the language of it.

2084. What it means is that they are to increase their water revenue as the rateable value of the district increases; that is it, is it not?—Yes.

2085. Well, I read that, and I ask you how, in this paragraph, you justify saying that the arbitrator shall not consider it as an element in the question?—Of course, the fact that the rateable value of the property in London has increased and is increasing.

2086. Is that a fact, to begin with?—In some cases.

2087. Is it a fact, generally in London; I thought the fact was the other way?—The fact up to the present time is that it has been increasing; we are about to have a re-valuation next year, and, of course, it is impossible to predict what may be the result of that re-valuation.

2088. Are you right (I think you are wrong) that recent assessments have shown that it is not increasing. Might you not distinguish between increasing by adding more houses, and increasing as regards the value of any particular house. In that sense of increasing the rateable value of any house, are you right in your facts?—I think so.

2089. That the rateable value, house for house, has been increasing?—In a great many instances.

2090. Would you be surprised to hear, for instance, that in the district of one of the companies I represent, the Southwark and Vauxhall Company, although there has been considerable building in the district, and taking into consideration the new houses, the total rateable value has actually gone down?—I have not got

Mr. *Bidder*—continued.

the figures before me at the moment as regards the rateable value of the Southwark and Vauxhall district.

2091. I will not trouble you; if you have not got the facts ready we will leave them to settle themselves. I am on the principle now, you know, that every water company in the earlier days of its existence was carried on with little or no profit, especially a company that is developing a suburban district, do you not?—I do not think that has lasted long in the London cases.

2092. It is the history for a longer or shorter time of every company, is it not?—In some cases I do not think they got any dividend on their original expenditure for some few years.

2093. And what, if you please, is to recoup them if it is not the increased revenues of future years?—I think, of course, that they are entitled to any increased revenue which they get from supplying new houses, and from supplying more water, but that is not the point here.

2094. Perhaps not, but take the case of the Southwark and Vauxhall Company. You know that they have never been able to approach to the 10 per cent. which Parliament said was the fair income for them to earn even after more than 50 years of existence; 50 years of combined existence, and a long period of separate existence before that?—In order to discuss that question you would really have to go into the whole history of the management or mismanagement of the different companies.

2095. Do you not know, as a fact, that the Southwark and Vauxhall Company have never even approached the 10 per cent. dividend which Parliament authorised?—They have never approached 10 per cent. on the nominal amount of their ordinary capital.

2096. Which Parliament has authorised them to receive 10 per cent. upon?—Yes.

2097. In fact, I think we have even been told that they have averaged 4 or 5 per cent.?—I do not know the actual average of the dividend of the Southwark and Vauxhall Company.

2098. Do not suppose that I am committing you to any particular figure?—But it goes on the Notes and looks like evidence.

2099. Now when Parliament has given them the right to recoup themselves for lean years, when they are increasing, how can you justify yourselves in taking that away from them?—I do not think the great increase of rateable value of property in London, unaccompanied by additional requirements for water, was in contemplation when the original rates of charge were fixed in 1852.

2100. Why not, if the then rateable value was totally inadequate to give a reasonable return for the money?—The subject then was not so fully understood. Since that time there has been a good deal of agitation upon it, and attention directed to it, and public Bills introduced by members of the House of Commons to deal with this particular point.

2101. Of course, it is obviously one element of value which affects the value of the shares, for instance, in the market, that they have a prospect before them of increasing revenue, is it not?—I doubt very much whether much attention is given by those who buy and sell these shares on the Stock Exchange at the present moment to the question of real value. Of course, there has always been this question of purchase in contemplation, and it has been rather a question of what that was going to be worth to the Company.

2102. Is not the future growth of a company and the probability of getting increased income in the future, an element of value?—I do not know what has influenced the minds of people who buy and sell this stock.

2103. But is it not an element of value?—It is, no doubt.

2104. Then how is it fair to take it away and not let the arbitrator consider what it is worth. You know you are very anxious that he should consider every element that can possibly depreciate the property; why should you forbid him to consider the fair import to be given to an element which may enhance it?—I think there is no reason why, because we Londoners ourselves by our own requirements are increasing the rateable value of property, we should on that account have to pay more to these water companies for the rights which we propose to acquire from them.

2105. That is your answer; it involves what I dispute, that the rateable value is increasing; but I pass from that?—I happen to be able to give evidence on this from my own personal knowledge, as more or less interested in houses.

2106. If you have had your rates put up, we shall have to go into the question of whether you have not escaped many years with inadequate rating.

Chairman.

2107. If Mr. Cripps wishes to state it he can do so?—There are houses in which I am myself personally interested which happen to be in the Chelsea neighbourhood, where, owing to the erection of houses upon what was formerly Prince's Cricket Ground, the rateable value has very largely increased. There are houses which were bought to pay 50 *l.* a year (and bought on that basis somewhere about 1852, probably), and which are now let at 120 *l.* to 130 *l.* a year. Of course the rateable value has increased greatly. There are streets of them. There is no additional consumption of water; on the contrary, the water supply is probably rather reduced by reason of better fittings. The use of water is rather reduced as compared to what it was recently; but owing to the existing legislation, I do not like to use the epithet which the Committee of Parliament applied to it in 1880; but, owing to the existing legislation, the company has been getting, and is getting now, double the amount of money per house for at least the same, if not a less supply of water. Now, that fact is due to nothing which the companies have done; but to the increasing requirements of London and Londoners, the very people who have now got to buy this undertaking again, it certainly does seem unreasonable that, in buying these undertakings, we should have to pay for what the water companies have not created, but which we have created ourselves.

2108. In

Chairman—continued.

2108. In the first place, you may be right about the rateable value of the houses going up, but are you right in saying there has been no additional consumption of water per house. Are you aware that you are grossly inaccurate and mistaken?—I do not think so.

2109. But do you know anything about it?—Yes.

2110. Would you be surprised to hear that the consumption of water per house in the Chelsea district has gone up in 30 years or so from 170 gallons a house to 280 gallons?—Yes, but with your knowledge of figures and statistics you must know what that is due to.

2111. I do not know what it is due to. How on earth would a knowledge of figures tell me what it is due to; they are using more water, I suppose?—To go back for a moment to the houses I have referred to myself, I do know, as a matter of observation, that all the fittings some 20 years ago were such that the water was running to waste and all sorts of mischief going on; they are now occupied by a better class of tenant, and there is no waste.

2112. I do not represent the Chelsea Company, but would you be surprised to hear that, since 1880, the consumption of water in Chelsea, and Chelsea is not a case of green fields to any great extent turning into houses, it is pretty well filled up, has increased 50 per cent.?—Yes, I can explain that to a considerable extent.

2113. Before you explain it, why did you say there was no increase in consumption?—I say in proportion to the rateable value of the particular houses.

2114. Has the rateable value of Chelsea gone up more than 50 per cent. since 1880?—If you wish information about that it can be got for you, I am not prepared with it at the moment.

2115. But that is your assertion; and I ask you, are you prepared to say that the rateable value of Chelsea since the year 1880 has gone up more in proportion than the consumption of water has. Are you prepared to say that?—I do not know over the whole district. I begin by dealing with individual houses.

2116. But the Water Company has to deal with the whole district, not merely with particular residences, and if it is not more in proportion, what becomes of your argument?—What becomes of my argument is this: that where there are new houses and larger houses erected, and more demands for water, of course the company will legitimately and properly get the advantage of that. Take, for instance, what has happened on Prince's Cricket Ground site, which I do happen to know all about.

2117. Is this another instance?—It think it will throw light on the point you mentioned.

2118. Unless it is necessary, do not go into another personal instance?—But you have opened up the case of the Chelsea Company.

2119. I beg your pardon, you insisted upon going into a personal reminiscence?—It is not an uninteresting fact, although of course, it is more relevant to the Chelsea case than to this, but in 1874 the annual rent of Prince's Cricket Ground and the land there was 200*l.* In the interval I had obtained an Act of Parliament which

Chairman—continued.

resulted in the formation of new streets, and the construction of that quarter of London, which members of the Committee know all about. In 1890, the ground rents were 6,000*l.* instead of 200*l.*; and the estimated value of houses on the property was 105,000*l.*, so that you have there an increase in rateable value upon that particular site from 200*l.* in 1874 to 105,000*l.* in 1890. Now, of course, the Chelsea Company have got the benefit, and properly got the benefit of the whole of that. That increase in rateable value is due to the erection of new houses, each one of which requires a consumption of water. To that they are fairly enough entitled, and to any profit they have got out of it; but what we submit they are not entitled to is to have in addition the profit which has resulted from the increase in the rateable value of houses in the neighbourhood, which houses have not been either altered, or rebuilt, or reconstructed, and do not require any increased consumption of water.

2120. That is another digression which has taken up five minutes' time, and is really no answer to my question. I suppose I must go back and repeat the question. Unless the increase of rateable value in the Chelsea district, which is the one which you have chosen to take, is more in proportion since 1880 than the increase in the consumption of water, what justice is there in your argument. It is reasonable, as their water consumption increases their rateable value, and their rates should increase, is it not?—Yes, I quite agree that as the consumption of water increased——

2121. Unless the one is increasing out of proportion to the other, what is the ground of your argument?—You cannot arrive at that without taking individual items.

2122. I pass from that; I think I have got as much as I am likely to get out of you as to that. I will go to the last paragraph of that section, "and no addition shall be made to the fair and reasonable value of the undertaking in respect of compulsory sale." You know, of course, it is the universal practice under the Lands Clauses Act, that an arbitrator is empowered and entitled where there is a compulsory sale, if he pleases, to give what he thinks proper. Why do you propose to forbid him in this case from taking that subject into his consideration?—I should say there are two answers to that. First of all, if the whole of the "fair and reasonable value of the undertaking" is expressly directed to be given to the company, it surely is quite clear that there is no reason for adding to the "whole fair and reasonable value" something in respect of compulsory sale.

2123. Is that quite clear, when for 50 years past in every compulsory sale it has been taken into consideration and dealt with, with the approbation of everybody concerned, and of the courts of law themselves?—I do not agree with your proposition, to begin with.

2124. Do not you?—No.

2125. Can you point to any case in which any court or any authority has expressed disapprobation of the arbitrator taking into his consideration an addition to the plain value of some com-

Chairman—continued.

pensation in respect of the sale being compulsory, and the consequences of compulsorily taking away property; can you point to any court or any authority which has expressed disapprobation of that practice?—I cannot refer to a court, of course.

2126. Or to an authority or text-book?—I can refer to what took place when the Birmingham waterworks undertaking was compulsorily purchased by the Corporation of Birmingham.

2127. I have asked you to refer to any authority, and you have a right to produce any authority; will you produce your authority; it became an Act of Parliament, did it not?—You give me rather short notice, but I think I can find it.

2128. We were told that that was what you were here for, to give us precedents?—The Birmingham case was not at all dissimilar to the present.

2129. Have you read the Birmingham Act?—I have not got it before me.

2130. I have it, and allow me to read it to you: "The Corporation may at any time within three years after the passing of this Act, by writing under their common seal, addressed and sent to the secretary, and sent to the principal office of the company, require the company to sell their undertaking, property, rights, powers and privileges, to the Corporation, and thereupon the company shall sell to the Corporation and the Corporation shall purchase from the company their undertaking, property, rights, powers and privileges, as the same exist at the time of purchase, for such consideration in perpetual annuities" (it appears to have been annuities and not a sum in gross in that case), "and on such terms as the company and the Corporation agree, or in default of agreement, as may be settled by arbitration in the matter provided by the Lands Clauses Consolidation Act, 1845, for settling cases of disputed compensation"; before I go further, you appealed to Cæsar; may I ask you if you are content to follow the Birmingham clause; would that clause satisfy you?—No, not that clause.

2131. You appealed to Cæsar, and you do not like the Cæsar judgment.

Sir *Stafford Northcote.*] What is the date of that Act?

Mr. *Bidder.*

2132. One thousand eight hundred and seventy-five, sir. (To the *Witness.*) You took me to that Act, I having challenged you to produce an authority to justify forbidding the arbitrator taking into consideration compulsory sale; how is that an authority in any way justifying that; there is not a word about forbidding the arbitrator to take into consideration compulsory sale, not a syllable?—My authority is a paper handed in by Mr. Chamberlain to the Select Committee on London Water Supply.

2133. We are not going to deal with papers handed in by gentlemen here and there; we are dealing with the Acts themselves; I have asked you to produce any authority, precedent, or justification for such a case as this, namely, prohibiting the arbitrator from taking that subject into consideration; you have referred me to the

Mr. *Bidder*—continued.

Birmingham Act; I have read the clause, and I venture to say, and I ask you to show me to the contrary, that there is nothing in it which in any way points to it at all, and not a syllable saying he should not take it into his consideration?—I do not think I referred you to the Birmingham Act; I referred you to the Birmingham case.

2134. By the Birmingham case do you mean the purchase of the undertaking of the Birmingham Company by the Corporation?—Yes.

2135. Is not this the Act that did it?—The purchase was conducted under that Act.

2136. Is not this the Act under which it was conducted?—It was.

2137. Is not that Clause 3 that I have read the purchase clause?—Yes.

2138. And does not it refer it to an arbitrator under the Lands Clauses Act, without any qualification as to whether he is to consider it as compulsorily or not?—Yes.

2139. Then how is it an authority for your proposition?—I was going to explain to you, that the facts of the Birmingham case were discussed before Sir William Harcourt's Committee in 1880.

2140. But that is five years after the Act was passed.

Mr. *Freeman.*] Surely you will allow Mr. Cripps to answer; he is giving you his explanation.

Chairman.] I think you had better let the Witness giving his answer.

Witness.] In the course of the evidence before the Committee of 1880, some questions arose about the Birmingham case; the Birmingham people saw what had taken place, and they explained that the facts of the Birmingham case were not correctly represented, and the consequence was that Mr. Chamberlain handed in to that Committee a Paper which is printed as an Appendix, No. 6, to the Report. It is a statement of the conditions of the Birmingham Water Purchase. Perhaps I had better just read the commencement of it: "The evidence of Mr. E. J. Smith, before the Select Committee, is so extraordinary with respect to the Birmingham purchase, that it appears necessary correct particulars should be stated." Then all the facts are stated, which I need not trouble the Committee with, because it explains exactly the history of what took place in connection with the Birmingham purchase, but the arbitrator dealing——

Mr. *Pope.*] It did not go to arbitration?—You are quite right; the expression is the negotiator. The negotiator on the part of the Corporation of Birmingham says: "I declined to give anything for compulsory sale or future value, as both those additions, in my view, were fully represented by the great additional value which would immediately accrue by having the annuities secured by the public rates of the borough." I only quote that to show that in that particular case where a great deal of attention was directed to the matter and it was very fully discussed, and ultimately an agreement was arrived at, the negotiator on the part of the Corporation declined to give anything for compulsory sale or future

future value. I merely allude to that in reference to the suggestion to me that it was an invariable rule that some allowance should be made for compulsory purchase.

Mr. *Bidder.*

2141. You have made a very long statement; what has that to do with the question I put to you; this is a Paper put in by Mr. Chamberlain as information to Sir William Harcourt's Committee, and explained to them that after the Act was passed, the company having said that the purchase should be by agreement, or in default of agreement, under the Lands Clauses Act, he, for the Corporation, met gentlemen on behalf of the company, and they succeeded in coming to an agreement?—In respect of there being no allowance for compulsory purchase.

2142. That was the basis on which he got his figure, but how is a case in which the parties met and agreed upon the purchase price an authority for saying, if you go to an arbitrator he is to be forbidden to consider that the matter is compulsory?—I do not think it is an authority for that; I think it is an authority for this——

2143. Then I ask you again, with all your knowledge of Acts of Parliament and authorities, can you produce any authority or justification for proposing to prohibit the arbitrator in a case like this of compulsory purchase from taking that subject into consideration?—No, I do not think there is any authority of that kind.

2144. Very good; I have given you the opportunity?—There are, of course, as the Committee are aware, public Acts of Parliament authorising the purchase of land for various purposes, which are certainly more or less analogous to the sanitary purposes involved in water supply, which, so far from recognising this custom of giving an additional 10 per cent., expressly direct that the arbitrator shall not give any additional allowance for compulsory sale. Those are public Acts of Parliament of course, dealing with the purchase of land for particular purposes, and they are not direct authorities for the application of this principle in the case of a purchase of a water undertaking.

2145. Before I leave Mr. Chamberlain's Paper which you have chosen to quote to me, describing what was done in negotiation, what he said in that passage you refer to is this: "I decline to give anything for compulsory sale or future value." He does not say because it is a wrong thing to consider, but "as both those additions in my view, were fully represented by the great additional value which would immediately accrue by saving the annuities secured by the public rates of the borough?"—Yes.

2146. So that again, as you appeal to Cæsar, Mr. Chamberlain says: "I consider that you have your compulsory sale amply in the increased value of annuities secured on the rates of Birmingham, as compared with dividends on the water rates?"—Here you will see there is an express direction to the arbitrator that the consideration to be paid is to be such sum of money as the arbitrators determine to be the fair and reasonable value of the undertaking.

2147. Of course, as usual, you are running off to something else, but you have taken me to Mr. Chamberlain, and you must deal with Mr.

Mr. *Bidder*—continued.

Chamberlain until you have settled him. I draw your attention to the fact that Mr. Chamberlain never suggested that, considering compulsory sale was improper. But on the contrary, he said: I would not consider it as a separate thing, but I consider I gave it in the enormous increase of value in substituting corporation annuities for the water dividend; I pass from that; you talked yesterday of the *expressio unius* maxim, as being a reason for specifying a great many things, and on that principle I presume the things you have not specified, you do not want the arbitrator to consider; you have not said a word about an instruction to the arbitrator that he should consider the prospective value of the company and its growth in the future, have you?—No.

2148. Therefore from your own point of view there is grievous danger that the arbitrator so partially instructed might consider he was tied to the present state of the company, and could not look to the future?—From the point of view of the Council, as stated in the House of Commons, on the second reading of the Bill, they had taken care to insert in this clause, so to speak, the cases which they, the Council, wished to submit to the arbitrator, and the various points which they wished to urge before him; if there were other points which might equally be reasonably put forward on the part of the companies, as matters to go before the arbitrator, that, of course, would be a matter for consideration for the companies to propose. We thought we had covered the company's case really by "the fair and reasonable value, having regard to all the circumstances of the case," because, so far as I see, all the points which the companies could put forward could be put forward under that. But if they wish anything else put specially before the arbitrator, of course the Council would consider it.

2149. With reference to that, allow me to draw your attention to what Mr. Balfour Browne said in opening this case on page 55: "If we left it out" (I do not know what "it" was, but it was one of these matters), "then they would go to the arbitrator and say that is purposely left out. You see we are stating all the circumstances; if you state one thing, you must state all"; that is at the bottom of page 55?—I would rather you argued that with Mr. Browne.

2150. You do not agree with Mr. Browne. Now, one question on an entirely different matter; I have asked all I want to ask about this point; you have provided in this Bill that the undertaking shall be transferred on a specified day to the Council, although the price has not been ascertained or paid; my only question to you upon that is: Do you produce any precedent for that?—No, I am not aware of any Act of Parliament which has passed.

2151. I assert that it is contrary to all the practice of Parliament, and therefore, as you are a Parliamentary agent, I give you a fair opportunity by asking you: Do you produce any precedent for it?—No, I do not. In the Edinburgh case the same thing was proposed, but of course the complications there are nothing like they are here, and in the course of the Edinburgh case I think an arrangement was arrived at.

Mr. *Bidder*—continued.

2152. May not we save trouble by agreeing that the Edinburgh case is no precedent, because they had agreed on the purchase-money before the Bill was passed?—Yes; I have already tried to express my contention that this case is without precedent.

2153. Are you aware, as I drew Mr. Harrison's attention to it the other day, that the recommendation to Parliament of Sir Matthew White Ridley's Committee was that you must proceed with all these purchases together, and take all the companies or none, and take them all before a certain fixed date; why have you thrown over that recommendation of Sir Matthew White Ridley's Committee?—For two reasons. First of all I may say that I do not think that that subject itself was very fully discussed before Sir Matthew White Ridley's Committee.

2154. Do you think they spoke inconsiderately; do you wish to suggest that?—No, I do not.

2155. My question is, why have you thrown over that recommendation of Sir Matthew White Ridley's Committee?—I will endeavour to explain to you. First of all, the circumstances of all these companies are exceedingly different from each other; we have heard that a good many times.

2156. Are they exceedingly different from the time Sir Matthew White Ridley's Committee sat?—Oh, no! You asked me why we had thrown it over. First of all I tell you that the circumstances of all these eight companies differ very largely one from the other. In the second place, it follows from that that an Act of Parliament which might be justified in some of the cases, might be equally justifiable in other cases.

2157. By that, do you mean that compulsory purchase, in your judgment, may be justifiable in some of the cases, and not in the others?—We have not yet presented our cases or heard the cases against; we are now dealing with the Southwark and Vauxhall case, where, I think, there can be no question at all. But I do see very great differences, not only between the cases of the companies themselves, but between the cases of the local authorities having the control of the outside area supplied by those several companies.

2158. You said just now that one of your reasons for throwing over the recommendation of Sir Matthew White Ridley's Committee was that you might succeed in justifying the purchase of some of the companies and not of others; you said so, did you not?—Yes.

2159. Do you contemplate then that it may be the outcome of these transfer Bills that the London County Council will become the owner of three or four, or five, or a certain number of the water undertakings, and not of the others?—I do not think it is at all likely.

2160. But do you contemplate it as possible?—I contemplate it as possible.

2161. In which case, of course, the London County Council would be in the position as a competing water authority to bring the outstanding water companies, so to speak, to their knees by competition?—Not in this case at all.

2162. Yes, in this case; for example, if they possessed the Lambeth and Southwark Companies, they might make things very disagreeable for the Kent, might they not?—There is a little question about the overlapping areas of the Lambeth and Kent: as a matter of fact, the Kent, having what is generally admitted to be the better water, and I rather think the lower charge, would not be likely to suffer very much from any competition here.

2163. Possibly not; they may take a different view. I am not their counsel. But we need not confine it to the south side of the river, because it is a matter of principle; obviously the Council on the north side possessing two or three companies might make the life of the others a burden to them, and their property worthless?—If the Committee wish me to answer questions about the north of London, I will do so.

Chairman.] You must remember at the commencement of the investigation we came to the conclusion that we would proceed upon a basis that there should be one central water authority for London; the case, I think, was opened very much in that sense, and the Committee adopted that view, and therefore I think it is fair you should answer the question.

Mr. *Bidder.*

2164. (To the *Witness.*) I have dealt with the south side; and I am asking you a question about the north side. You do not dispute for a moment, do you, that the Council becoming the owners of two or three of the northern companies might compete with immense power and disastrous results with the remaining companies on the north side?—Of course I agree that if the Council became the possessor of one undertaking only, we will say, on the north side of London, it could to the extent of area of the undertaking so acquired compete (if you like that expression) with the companies who are also supplying in the same area.

2165. And that physically the boundaries are such, that by becoming the owners of one or two companies on the north side, it could practically compete with all the remainder, could it not?—No doubt it would be quite possible to settle this water question in pieces by buying one or two of the existing companies.

2166. Yes, and then bringing the others on their marrow-bones?—Yes, it is quite open.

2167. And that was the reason, as you know very well, why Sir Matthew White Ridley's Committee said that it would be a most unfair thing to permit, and Parliament ought to insist if you bought one company you should buy them all by a specified day?—I know the paragraph in the report.

2168. Was not that why it was urged upon them?—I have already said I do not think that particular question was discussed in the way of evidence at any great length.

2169. I beg pardon. I for one cross-examined Lord Farrar and others, and it was the great part of my friend Mr. Pember's speech. Was there any difficulty, if you had chosen to do it, in putting all these Bills into one Bill?—Yes, I have already explained the difficulty about that.

2170. What is the difficulty; that there would have to be a certain number of clauses in the Bill peculiar to each company?—One great difficulty would have been, that we should never have got through the Bill within the limits of one

Mr. *Bidder*—continued.

one Session; at all events, there would have been very great risk about it.

2171. Would there have been any difficulty in putting into the Bill or Bills, if you had more than one, a clause to provide that the council should not purchase any company until it had given notice to treat to every company?—Yes, there would have been.

2172. What would have been the difficulty of that. I suggest that as one way of carrying out the recommendation of Sir Matthew White Ridley's Committee, "That the London County Council shall not proceed with the purchase of A or B Company, as the case may be, unless it shall have previously given notice to purchase every one of the other companies." What is the difficulty about that clause being in?—This difficulty, supposing for the moment we had justified seven of these cases to this Committee, and we had a difficulty about the eighth, and either the company said we will insist upon certain terms, or the local authority said we will insist upon certain terms, and the London County Council saw that in the peculiar circumstances of that company those terms were unreasonable and should not be accepted, the council would be put in this dilemma: either that they must at the end accept terms in one case which they did not think reasonable, and which would be unfair to the other companies, or they must throw over the whole of the position which they might have obtained as regards the other seven.

2173. Is there not a third alternative; that, not submitting to the dictation of a company or a local authority, they might appeal to the Committee to do what was right and just?—Yes, of course.

2174. And cannot you trust the Committee, which is passing all your eight Bills, to do what is right and just as between you and the companies and the water authorities?—I am afraid we have to reckon with the people of London generally, or the London County Council have, as the representatives of those people, and the question would be simply whether the terms upon which the London County Council were authorised to acquire these undertakings or any of them were such terms as the council thought ought to be accepted on behalf of the people of London, and the people of London were willing to agree to.

2175. Do you mean to say, if it happens that Parliament passes these Transfer Bills, you have got to go to the people of London and ask them if they will have anything to do with the transfer?—Not at all, the council has made a definite offer to every one of these eight companies.

2176. Which they decline?—They are declining it at present.

2177. They differ in opinion as to the fairness of the offer; we will not discuss that?—Yes.

2178. Where is the unreasonableness, and where is the difficulty in carrying out the recommendation of Sir Matthew White Ridley's Committee. You are proceeding, and you have opened this Bill to the Committee, with the idea of having one water authority for the whole of London with the water supply in one municipal hand; where is the difficulty of carrying that out by a provision in every Transfer Bill, if you have more than one, saying that you shall not buy the company which is the subject of that Bill until you have given notice to buy all the others?—We do not know when we shall be in a position to give notice of our intention to buy all the others.

2179. The minute you have got all your eight Acts?—But you see, as I have already indicated, some of the questions which are involved. Look at that Hertfordshire question which I foresee a great deal of difficulty about, and look at the Kent question.

2180. But those have got to be settled before your Acts are passed?—Yes, when are they going to be settled?

2181. But I suppose with your eight Bills the same principle would apply, would it not?—I do not think so at all.

2182. The question of relations of outside districts and the inner municipality would apply, would it not?—It has been already stated that the council are prepared to come to an arrangement with all the outside areas on the same general principles as those which have satisfied the county of Surrey, but the other counties are differently situated and want different arrangements.

2183. They are not satisfied with the Surrey arrangement, and I do not wonder at it; but at the same time that is a thing that Parliament must settle, is it not. The outside districts have a right to come and represent their case to Parliament?—Yes, it is more a question of time than anything else.

2184. Do you mean you want to stop them from discussing these questions?—No, not at all; I should like it all fully discussed out.

2185. I come back to where I was. When all your eight Acts have passed you are in a position, are you not, to give notice to treat to every one of these companies?—Yes.

2186. And the effect of a clause in each Act, that you should not buy that company until you have given notice to the others, would be that if you carry the thing out you must carry it out on the scope of your own opening as one water authority for the whole of London?—I think it would defer the thing indefinitely, myself. When I say indefinitely, I mean I cannot say how long.

2187. I take your answer, then; in point of fact, you contemplate that the acquiring of the companies is an indefinite matter?—I think it will take a long time to discuss out all these cases with all the different circumstances which we find in each of them.

2188. Then, in point of fact, it probably will result in your acquiring some; and having regard to the position of the London County Council and their power of competition, it will be a case of devil take the hindermost with those that are left out?—No. Of course, I am here as a witness, and partly only expressing my own opinion, but the whole of this subject was carefully and fully discussed at every full meeting of the Parliamentary Committee of the London County Council.

2189. I have no doubt it was?—It was very fully and carefully discussed indeed. It was proposed

Mr. *Bidder*—continued.

posed at that meeting that some such clause as Mr. Bidder suggests should be adopted. The proposal met with a very small amount of support, and after a good deal of discussion (I think at two meetings, by the way) the proposal was entirely abandoned, and the Parliamentary Committee of the Council were unanimous in the instructions they gave me; but there is no doubt it was on this distinct understanding, as Mr. Bidder suggests: that it is the *bonâ fide* intention of the London County Council to proceed to bring before Committees of Parliament for adjudication, as rapidly as circumstances will admit, Bills for the acquisition of the undertakings of these eight companies.

2190. Probably the proposals you have alluded to were on the part of the Moderate party?—I do not know anything about the politics.

2191. Assuming the matter works out as you say, and possibly there might be one company out of the eight which it would be impracticable to get through in the Session, what would be the financial position of the last company after you had acquired the other seven?—Which company are you alluding to?

2192. Any one you like; what would be the position in the face of the competition of the London County Council of the one solitary remaining outstanding company when you had acquired the seven?—At the present moment we are only dealing with these two Bills. If we get as far as Bill No. 7 this Session, you will be able to raise that point.

2193. If you say you will not answer the question, I will not press it further?—I think the circumstances of the different companies differ.

2194. You have said that before?—The West Middlesex Company, for instance, would be in a position of competing to a very considerable extent with the London County Council.

2195. I do not care which company it is; is there any one company which, if left out, the London County Council being the owner of the other seven, might not be practically ruined by the competition of the council?—I do not think that would happen.

2196. I said might not it be so?—You can see from these maps exactly what could be done. You see how the areas overlap.

Chairman.

2197. Before we pass away from the subject-matter of the cross-examination of Mr. Bidder, there are one or two points which some Members of the Committee would like to have cleared up. The first is as regards the matter of practice before the arbitrator or arbitrators as they would be in this case. How would the question of referring a matter for the decision of a judicial tribunal arise; in what circumstances would it be possible for, say, the London County Council if they desired it, or the companies, to have a case stated for a judicial tribunal to decide upon?—I think it would arise in this way: A claim would be made by the owners of the undertaking for a certain sum of money by way of purchase-money. The propriety of that amount would be the subject-matter to be discussed before the

Chairman—continued.

arbitrator. The purchasers would say, taking a legal question, "We think the amount that you claim is based upon your including a particular charge which you have made," we will say, for flushing sewers, or for baths or urinals, or something or other, which the company ought not to have made. The company will say, "What does that matter to us; we have got the income; we have been paid for it, and that is what we base our claim upon." I take it, then, that those who represent the London County Council would dispute the legality of the item, and it would be in the power of the arbitrator, if he thought fit, to state a case to the court to give him directions as to the law upon that particular point. Whether or not he would be bound to state a case if the purchasers required it I cannot answer; that is a question for counsel who are experienced in the actual contesting of these cases before arbitrators.

2198. Have you heard in your experience of any complaints made by either of the parties to an arbitration where an appeal to a court of law has been refused them by the arbitrator?—No, I do not think so. There is an arbitration in which we ourselves have been a good deal interested, under the Tramway Acts, which I myself have had to consider from 1871 up to the present time. We have had an arbitration as to the sum of money to be paid to these Tramway Companies. Before the arbitrator a question arose as to whether or not he ought to take into consideration certain evidence submitted to him. The Tramway Companies contended, and sought to lay before the arbitrator, evidence to the effect that the letting value of the tramway would be a certain figure, and that the arbitrator ought to take that figure into consideration. It was contended on the part of the council that under the express terms of the Arbitration Clause of the Act the arbitrator was precluded from entertaining that question. We had never had any doubt about it ourselves, but the point was put on the part of the companies. The result of that was (I should hardly like to be taken as stating very accurately what took place, because I am behind the scenes rather in these cases), but the question arose not only in the London case, but in the Edinburgh case, and was discussed in the courts of law, and then ultimately went to the House of Lords to decide.

2199. You had no difficulty in having the case stated for the decision of the courts of law?—There was no difficulty in that case that I am aware of, but I would rather the learned counsel who were actually concerned in the case would inform the Committee.

2200. I only ask you so far as you know yourself; you have no experience of any difficulty in taking a question to a court of law when you think it ought to go?—I cannot claim to be an authority on that point, I am afraid, as regards actual practice.

2201. Has any company, to your knowledge, been limited in its power to make up back dividends?—I do not think that has been done except in the case of the gas companies. By the way, regulation of the gas companies is set out in the Report of the Committee of 1880 in the Appendix.

Chairman—continued.

appendix. The matter was dealt with by Lord Cardwell on behalf of the Government with the metropolitan gas companies.

2202. Setting aside the gas companies, is there any instance where the right to make up back dividends has been withdrawn or limited to your knowledge?—Not to my knowledge; certainly not in the case of a proposal to purchase upon specific terms.

Cross-examined by Mr. *Littler.*

2203. Has the Council been advised as to the total cost of buying all the companies, of course I do not ask as to any particular company, but has the Council been advised as to the total cost of buying all the companies?—No, I think not.

2204. It has not?—No.

2205. But has it not been advised that the granting of the particular provisions of the clause which Mr. Bidder has gone through so fully would reduce the purchase price?—No, it is not a question of reducing the purchase price, it is the question of arriving at a fair and reasonable value.

2206. Has it not been deliberately advised that the adoption of this particular provision of that clause would reduce the purchase price?—No, I think not. But do not let us play about words, or do not let me play about words. Of course, the adoption of an arbitration clause of this kind would result in the view of those who have advised the Council in certain things being taken into consideration which would be in favour of the purchasers, but which either would not or might not be taken into consideration in a mere ordinary arbitration under the Lands Clauses Act.

2207. "Might not" I am quite content with. And the object of it is to prevent the arbitrator doing that which but for the clause he might otherwise do?—No, I think not.

2208. Then why the word "might"?—No arbitrator can do anything until he is authorised to do something. This is a definite proposal of purchase upon a certain definite system.

2209. Do you mean to say that the Council has never considered, or had advice, or whether without advice, has considered what effect the adoption of this clause would have in cheapening the market with regard to these companies?—I think the Council has not been definitely advised on that point at all, mainly for this very obvious reason: all the proceedings of the London County Council are as public as anything that is said in the streets, and although individual members of the Council have of course considered the matter, and probably formed their own conclusions, no definite statement has been placed on record for this reason: that it would be sure to be published, and would very likely very materially interfere with the results of any arbitration.

2210. That I quite understand. I am not asking you what has been put on record, but have not they been advised, and is not the very object of this clause to reduce the price which

Mr. *Littler*—continued.

they may have to pay to the companies?—The object of this clause is to secure that in fixing the purchase price certain things shall be taken into consideration in favour of the purchasers which would not or might not otherwise have been taken into consideration in an ordinary arbitration under the Lands Clauses Act.

2211. Then, on the whole, I think I may say that the object is to reduce the price?—I do not call it "to reduce the price," but the object is to fix a fair and reasonable figure.

2212. And a price which would be less, but for this clause, than would be fixed?—Yes. The result probably would be, we think, that the purchase-money would be less if all these things are fairly and reasonably considered than if the purchase price were fixed by an arbitrator without considering them.

2213. Is there any one provision in your clause which might enhance the price fairly and reasonably?—No, I do not think there is.

2214. Is it really the fact that the County Council has not formed any idea of what the cost of these water undertakings is to be?—I think you must not ask me that question.

2215. Is there anybody coming I can ask that of?—No, I think not. I do not think we should give any evidence upon it, why should we be asked to. We are about to embark in an arbitration if the Committee pass these Bills, and according to all the rules and practice, I do not think you must ask me to give any figures here.

Chairman.] I do not think you can press that.

Mr. *Littler.*

2216. I perfectly agree if you are going into an arbitration, but when a railway company comes to acquire land, the total cost to the company of the land is always given, is it not?—I can tell you this, of course.

2217. Please answer that question first.

Chairman.] I do not think the witness ought to be pressed to state the figures.

Mr. *Littler.*] I do not know whether this witness knows, but surely it is an essential matter for the Committee to know what is the amount of money that is going to be expended. I do not in the slightest degree desire, I admit at once I should have no right on the part of any particular company to ask how much they put that company at, but surely I am entitled to know at what price under this clause they think they are going to buy the whole of the companies.

Chairman.] I hardly think so. I think if the County Council choose to submit to an arbitration and bind themselves to take the consequences they ought not on the other hand to be asked to declare a price first.

Mr. *Littler.*] If that is the view of the Committee, I do not want to argue it, but at the same time I should like to give my reason very shortly, and that is exactly in the same way that if a railway company is going to make a railway a mile long, we will say, you have no right whatever and no one ever attempts it to ask what price ought to be put down for any particular

person's land on the line, but the price for the whole of the land so that Parliament may know the whole price we always give.

Chairman.] I do not think the analogy can be sustained.

Mr. *Littler.*

2218. I will not argue it for one moment longer. (To the *Witness*). I must ask you, as you have referred to Mr. Chamberlain's Report as to Birmingham, whether you agree with this principle: "The principle on which on the part of the corporation I conducted the negotiations was the money-making capability of the water undertaking"?—Yes. I only qualify that by of course adding the words, "The legitimate and proper." I have said so before in evidence before these Committees.

2219. Then Mr. Chamberlain went on, "Mr. Heaton" (that was the gentleman conducting the negotiation on the other side) "originally claimed the maximum dividends; the back dividends; a percentage upon uncalled capital; and a consideration for compulsory sale; and prospective value; to which I replied that it would be better for the corporation to proceed by arbitration than to accept such conditions." Now that claim included everything anyone could think of, did it not?—Yes.

2220. Then, "the back dividends, as before stated, amounted to 52,520*l.*, for which I agreed to give half, viz., 26,260*l.*, which it was calculated would be earned in seven and a half years." Now that Mr. Chamberlain agreed to?—Yes.

2221. And the other side agreed to it apparently as a compromise rather than going to arbitration?—Yes.

2222. It is a fact, is it not, that in the Birmingham case the consideration was to be entirely on annuities secured by the town?—Yes.

2223. If you look at Table 1, the sum of 54,491*l.* annuities was agreed upon as representing the statutory maximum dividend; I am reading from page 293; was the company earning its maximum dividend?—Yes.

2224. Are you quite sure?—Well, they say, "The full maximum dividends were also earned in the year 1875." That is just before where you are reading.

2225. "The statutory maximum dividend on all the capital of the company called up. Three per cent. per annum on the value, as on the 1st of January 1876, of uncalled capital (capital to remain uncalled), such value being ascertained on the footing that the capital would have been called up by five equal half-yearly instalments (the first payable 1st July 1876), and the capitalisation of those five calls being calculated on a 4 per cent. basis. Four per cent. per annum on the capital value as on the 1st January 1876, of one half of the back dividends. The company would have been entitled to pay out of future profits, such value being ascertained, on the footing that such one-half of the back dividends would have been payable by nine yearly instalments (the first payable on the 1st January 1877), capitalisation again being calculated on a 4 per cent. basis," secured not out of profits, but as annuities from the Corporation?—Yes.

2226. Then "I declined to give anything for

Mr. *Littler*—continued.

compulsory sale or future value, as both those additions, in my view, were fully represented by the great additional value which would immediately accrue by having the annuities secured by the public rates of the borough." Is that in any way analogous to these cases where you are going to an arbitrator?—No, I did not put the thing in that form.

2227. Then why did you introduce it?—I put it in answer to Mr. Bidder's suggestion, that, as a matter of practice, an allowance in all these cases had been made for compulsory sale. I reminded him in the Birmingham case that it had been admitted on both sides it should not be made.

2228. Is it not the duty of an arbitrator to take the present value to the owner of any undertaking which is purchased?—That, as I said before, is, in my opinion, the ordinary principle of arbitration under the Lands Clauses Act.

2229. Not the value to the purchaser, but the value to the owner?—The value to the owner without any regard whatever to the value to the purchaser.

2230. That is what we quite accept and what we are prepared for. Now let me ask you, is it not the duty of the arbitrator, in an ordinary arbitration, to consider every circumstance which is likely to depreciate the property, and every circumstance which is likely to enhance the value of the property?—There I should rather join issue with you; I do not think it would be so.

2231. Will you give me any authority for any other proposition?—No; I would rather deal with it in general terms. If the particular circumstance was the probability of future legislation which had not taken place, I do not think the arbitrator would or could entertain it without authority or directions; if you refer, of course, to the large Arbitration Act where arbitrators were specially appointed, you will find that Parliament has thought it necessary to give the arbitrators very special and wide powers to deal with these matters. I think in one case it is stated as if the arbitrator were Parliament; it could not be done without that direction.

2232. I dare say; but what I point out is, that what you have done is to reduce and restrict his powers and not to widen, because you yourself have said *expressio unius est exclusio alterius.* I have not been asking yet whether the arbitrator should have wider powers; you are proposing to narrow them, and I ask you why?—We are asking because of our apprehension that an arbitrator without directions could not entertain a good many elements, which seemed to us to be extremely important, and which, it seems to us, it is only fair and reasonable the arbitrator should have regard to.

2233. Then that is to say, that you are proposing to make a law for yourselves when you are going to compel us to sell our property; is not that it?—Yes, we are proposing to make a law under which this complicated and difficult subject could be finally concluded.

2234. But, except its size, what difference is there between the purchase here and other places. I have listened to your cross-examination, and having

Mr. *Littler*—continued.

having had a good deal to do with the purchase and sale of several gas and water companies, except as a question of size, what difference is there in this and the sale or purchase of any undertaking that there has ever been in England?—The first and most important distinction of all, I think, is the fact that Parliament has from time to time introduced companies for the purpose of competing with the older companies and giving the consumer of London the benefit of competition.

2235. Do you not know that, as long ago as 1851, Parliament abandoned that proposition?—No, I do not.

2236. Do you know of any instance since 1851 in which any competition has been carried on?—In London, do you mean?

2237. Yes?—Yes.

2238. Where there have been two competing companies supplying in the same street?—I will illustrate it by that Lambeth area. You will see the area actually supplied by the Lambeth Company is marked with dark red lines. I think you would find ——

2239. Do you know? I cannot have what you think, because I have my reason for putting this. I challenge you that, as a matter of practice—there may have been some odd street or some single case, but as a matter of practice and common sense, since the year 1851, is there any instance in which competition has taken place by reason of two companies being in the same street or the same district?—There are many instances where the consumers of London have now the advantage of the competitive position. If you take that dark area and look round the edge of it, you may take it from me that the consumers there, who might otherwise be supplied by the Southwark and Vauxhall Company, have in many cases had for many years, and have now, lower rates from the Lambeth Company than the unfortunate Lambeth consumer, who is situated well in the middle of that dark area and out of the reach of competition, has.

2240. I am not talking about lower rates, but I am asking you whether there has been such a thing in existence since the year 1851 as two companies laying down competing pipes in the same street?—I think probably not; not laying down pipes. I ought to qualify that. There are, no doubt, a considerable number of streets in the south of London where there are mains of both companies, and it is exceedingly probable that they may have been renewed and replaced.

2241. Which were laid down before the year 1851? Is there any instance which you know of where both the mains are used?—That I cannot tell you; that is rather an engineering question.

2242. Is it not a proposition which has been laid down over and over again that Parliament would discourage competition either in gas or water?—No, I do not agree with you.

2243. I might take you to a good many examples, some of which you probably know; was not that the case with the Edinburgh Gas Company?—I would rather you kept to water than gas; I do not know the case at all.

2244. Gas and water are very analogous, and, with regard to gas, you have quoted the London gas companies with respect to the question of back dividends. Is it not the fact that Parliament has in every way discouraged competition and competing sets of pipes on the express ground that it is extravagant and wasteful and a foolish proceeding?—I do not know about the express ground, but I do know, of course, that except in London, as I have stated in my evidence in chief, there is no case where one company having obtained from Parliament power to supply a given area another company has been subsequently authorised by Parliament to supply water in the same area in competition with the first company. That is the broad distinction between the provincial companies and the London companies.

2245. You do not know of any instance, do you?—No.

2246. And in London the question has never been before Parliament since 1851, has it?—Yes.

2247. I mean the question of any company invading another company's territory?—No, because that is the complaint of London. The complaint of London is that the companies instead of giving effect to the position in which they were placed in 1852 have combined amongst themselves to parcel out London in such a way as to get the biggest income they can to their own advantage, which of course is only natural.

2248. Is it your view that in a crowded place like London, as to which your own council have over and over again given evidence that there is no room for a single pipe more in the streets, they ought to have put down more pipes and competed and wasted their capital; is that your proposition?—The Metropolitan Board of Works, at all events, introduced a Bill for that object in 1877.

2249. I am going to deal with that and show you that they did not. But is it your proposition now that the companies ought to have wasted their capital by competing in the same streets?—Yes, looking at it from the consumers' point of view. I take the same view which the consumers of London have always taken throughout the whole of the last century; namely, that they would rather put up with that inconvenience if it secured to them a better and cheaper supply of water.

2250. Then do you think the interests of the consumer would be promoted by a wasteful expenditure on two sets of pipes; two sets of mains; two breakings up of the roads, and the inconvenience occasioned to the public by the blocking of the streets?—No; I agree with you that the best remedy is to hand all this over to the London County Council.

2251. But what I propose to you is a much more sensible thing, that is, to let business people who understand their business go on with it; that is a much more reasonable proposition. Is it your idea then that competition is a thing which is admissible with regard to water?—We are not here suggesting competition; we are asking that the existing powers of competition should be taken into consideration.

2252. That is not my question; I ask you is

Mr. *Littler*—continued.

that your proposition?—It might be necessary, no doubt, to suggest it if the remedy for the state of things which we now propose should not be accepted.

2253. I am dealing with the original complaint you made against my companies that they did not compete. As you are upon the question of competition I will deal with the Bill of 1877; are you sure that that was a competition Bill; I am referring now to the Metropolitan Board of Works Bill?—There were two Bills introduced in that Session.

2254. I know there were. One was the Metropolis Water Supply Bill which sought powers to construct works?—Yes.

2255. That was not a competition Bill, of course?—Yes.

2256. Is it your idea that that was a competition Bill?—I think so, speaking from recollection. I am quite aware of this fact, that a Bill for the purchase of the undertakings was introduced the same year.

2257. Let me refresh your recollection, because I am rather astonished to hear you say what you have said. Here is the Parliamentary notice for a Bill in the Session of 1878 given in November 1877, and it says: "Power to the Metropolitan Board of Works to construct works for the supply of water to the metropolis; to supply water for drinking and culinary purposes and for the extinguishment of fire and other public purposes within the metropolis." Here is a part of the notice: "To impose a condition and obligation upon all persons who may be supplied with water by the board to take a supply of water from the waterworks company if any within whose limits of supply the premises of such respective persons may be situate." That does not look like competition?—Well, they put a lot of things into notices for Bills very often; I do not know whether it was in the Bill or not; it may have been.

2258. I think it was, and I think I can show you in a moment that it was. While the Bill is being found let me ask you this: was one of the proposals also to buy up the companies by agreement or arbitration?—I am sorry not to be able to answer your question; I am trying to find the Bill, but I am afraid I have not got it.

2259. May I tell you that one of the proposals was, "For the purchase by agreement or arbitration," and that the other was to spend 5,500,000*l.* in taking water from the chalk for drinking and culinary purposes, and also for high pressure for fire?—Yes, you are quite right about that. There were two Bills; the object of one was to introduce a new supply of water which was to be used at all events primarily for drinking and culinary purposes and for the extinction of fire. It was to be delivered into reservoirs at a sufficiently high level, with a pressure enough to send the water up to the top storeys of all the houses in London. That supply would have been, I think, in competition with the existing companies.

2260. How was it that you proposed to introduce into the Supply Bill (and if you will produce the Bill I think you will find I am right) a provision that every consumer should be bound to continue his supply from the companies?—I do not recollect that clause of the Bill. I have only got the Purchase Bill before me, and I cannot answer the question at the moment.

2261. Let me draw your attention to this extract from "The Times," which perhaps may remind you; I admit it is only an extract from "The Times," and therefore no official record, but it may serve to bring it to your memory:—"There is no reason why the Board of Works should desire to enter into competition with the companies, that such competition would cost London a great deal more than the price they can afford to give to the companies for their business; even supposing the Board of Works were inclined to attempt so wasteful a rivalry it would never obtain the consent of Parliament"?—Where are you reading from?

2262. I am reading in order to remind you, because I want you to look the matter up, from what appears to have been an inspired observation in "The Times" at that date. Now in December 1878, did the Metropolitan Board of Works receive a letter from the Home Office stating that Her Majesty's Government did not see their way to sanction the purchase by them of the water companies' undertakings in the metropolis?—I have not records before me. What happened no doubt was that both those Bills were withdrawn. Do you want anything more than that?

2263. There is one Bill, I believe (and I have read your book through) which I do not find referred to, and that is Sir George Grey's Bill, which was introduced in order to be printed on the 1st of May 1851; do you know that Bill?—Yes.

2264. I find that that was a Government Bill for the better supply of water to the metropolis, and in Clause 10 there was a proviso for turning the metropolitan companies into one company?—Yes, that was the Metropolis Water Bill of 1851.

2265. All the companies were to be turned into one; was the price to be paid to each company before it was transferred to be settled with all convenient speed by arbitration between the Commissioners of the Treasury and the companies according to the provisions of the Lands Clauses Consolidation Act, 1845?—There was a proposal of that character. I daresay you are right about the exact nature of it, in 1851.

2266. But I am reading from the Bill?—It was not proceeded with in 1852.

2267. I daresay it was not?—The companies complained about it as loudly as they possibly could. They objected to it so strongly, and argued so strongly against it, that it could not be proceeded with.

2268. I daresay; but because they objected to Sir George Grey's whips there is no reason why they should have your scorpions. There was a provision with regard to the Lands Clauses Act of 1845; you are aware of that, are you not?—But that was altogether a different proposal from this, because the companies there were to be compulsorily consolidated, and placed under the control of a Government Department.

2269. And they were to be paid such a sum in Consolidated

Mr. *Littler*—continued.

Consolidated Stock as should be found by an arbitrator under the Lands Clauses Act?—Of course some arrangement had to be made for fixing the interests of the different companies.

2270. I am sure you see what my point is here, as well as I do myself. There the Government were content even without special instructions?—Yes; the Government had not got to pay. What they were proposing to do was to consolidate the Water Companies compulsorily, and place them under the control of a Government Department.

2271. I beg your pardon, the Government had all to do with it, because the promoters were the Commissioners of Her Majesty's Treasury, and the arbitration was to be between the Treasury and each individual water company. Here is the Act. I have it in my hand?—Yes, I recollect the Bill.

2272. I not only recollect the Bill, but I have read it. So much for that. If you say your instructions will not justify you in saying so, I will not press the question, but let me ask you would you go on with this Bill if you had the conditions of the Lands Clauses Act and nothing else?—That would be a matter of course on which I should have to consult the Parliamentary Committee of the Council. That would be a matter for the Council and not for me to deal with; but I think that the case of the Council has been very fairly put by Mr. Balfour Browne before the Committee, and you will see how he has dealt with that point.

2273. Never mind about anybody else; so far as you are concerned in your view, and according to your belief, would the Council proceed with this Bill at all if they simply had the Lands Clauses Act in Clause 6.

Mr. *Freeman.*] Is that really a question for Mr. Cripps? Surely it is not for Mr. Cripps to say what the Council will do.

Chairman.] Will you repeat your question, Mr. Littler. I did not quite follow it.

Mr. *Littler.*] The question I asked, Sir, was this—and I think it is a very important one—supposing the Committee were to strike out all these special provisions and were to leave the Council to the Lands Clauses Act of 1845, so far as Mr. Cripps knows, would the Council proceed with the Bill at all?

Mr. *Freeman.*] That must be a matter to be referred to the Council. He cannot pledge the Council upon that.

Chairman.] I think if Mr. Cripps does not feel himself justified in answering that he should not be asked to do.

Mr. *Littler.*] I said, Sir, that if he did not wish to answer it I would not press it.

Witness.] I think I can answer it in a very general way, which will be sufficient for your purpose. Of course, it is quite clear that the Parliamentary Committee of the Council would give the most respectful consideration to any suggestions which came from this Committee as to amending this Bill. That is quite clear; but knowing what one does know as to the views of the people of London generally and of the members of the London County Council as representing them, and of course being aware of what is suggested, namely, a purchase under the system contained in this Bill, I can hardly predict what might be the probable decision of the Council as to proceeding with a Bill of a different character.

Chairman.] I think that is perfectly fair.

Mr. *Littler.*

2274. Perfectly, Sir; and at the same time we may draw our own conclusions from it, which is all I desire to do. (To the *Witness.*) You do personally attach, do you not, the greatest possible importance to these instructions?—I do, certainly; personally, very great importance. I think the proposition that in some way or the other the whole of these circumstances should be before the arbitrator is essential to the scheme.

2275. Will you tell me, taking one of the companies I represent, why all these restrictions are to be imposed upon the Kent Company. The Kent Company has got perfect water, plenty of it, wants no filtration; has its pipes in excellent condition. Why are these conditions to be imimposed upon the Kent Company?—I can only say there again that we have not dealt with the Kent Company yet. We have not opened the Kent Company's case, and I am not really in a position to deal with the Kent Company's case. I have admitted throughout that the circumstances of these companies differ very widely, and I am here now prepared to deal only with the Lambeth and the Southwark and Vauxhall Company.

2276. Then as I understand it what you would say is that that clause should be dealt with specially when you come to deal with the Kent Bill?—We have always considered that these cases are essentially different, and there may be reasons why that clause should be modified in the Kent Company's case, which do not prevail in this case.

2277. Do you still adhere to what you said on page 109 of your report to the County Council?—Pages 108 and 109 deal with the legal position of the Kent Company, and you begin by saying, "The powers of the Kent Company for taking water are derived from enactments as to which there is less difficulty of interpretation than is found in the cases of the other Companies." Then you give a historical outline, and you wind up by saying, "Having regard to these enactments, I think that the Kent Company have at present a legal right to derive from wells on their land as much water as they can obtain, and to use it for distribution." That being so, why do we find this at the top of page 8 of the Bill with regard to the transfer of the Kent Water Company. These are the matters which are to be inquired into under Clause 7. First of all I see, "The condition and state of repair of the reservoirs, filter-beds, filtration arrangements." You know we have no filter-beds—we have no filtration arrangements, and we have no reservoirs practically. Why is that put into the Kent Bill?—In order that all the Bills may be in the same form. We did not consider that this proposed enactment would compel the arbitrator to take

Mr. *Littler*—continued.

into consideration in particular cases, circumstances which did not exist.

2278. I thought that there was a necessity for making each Bill fit the circumstances?—Yes.

2279. But do not you see that this does not fit the circumstances in any one particular. I invite you to tell me of any one particular in which any of those questions affect the Kent Company!—I think it is obviously desirable at all events to start with the same clause as regards each of these companies. You suggest that they should all be dealt with in one Bill. I have already explained my reasons against that.

2280. I cannot understand them. At all events, to start with you are to begin with that which has no foundation in fact. Is not that so?—We have not opened the Kent Company's case yet——

2281. Do you dispute what I have put to you as perfectly true—namely, that none of those questions are matters which the arbitrator would have to take into consideration in the case of the Kent company?—If you have no filtration arrangements of course it is quite obvious he cannot have regard to them.

2282. Then why do you put it in our Bill?—We may have been right or wrong but it was thought better that that particular clause should be inserted in each of these Bills in the same form.

2283. But is not that particular clause the very one on which the difference of circumstances arises?—Yes. I think that the circumstances of these companies do differ in respect to all these matters.

2284. Now I will go to the next one at line five on page eight: "The legal powers of the Kent Company to take water and the probability of such powers being limited." I compare that with what you say on page 109 of your report, "Having regard to these enactments, I think that the Kent Company have at present a legal right to derive from wells on their land as much water as they can obtain and to use it for distribution"?—For what my opinion is worth, that is the legal position of the Kent Company, for which interests we should have to pay. But then let me ask you to bear this in mind, that the Kent County Council and other local authorities of Kent are petitioning against that Kent Bill, and they say that if the London County Council is going to take this undertaking, the powers of drawing water from the chalk must be limited. Now in buying the Kent undertaking we suggest that that very argument put in the petition should be put before the arbitrator.

2285. Then what it comes to is this: You propose to take away from us an unlimited power, and because some one else objects to that unlimited power being used by you we are to suffer?—It cannot be said to be an unlimited power if there is a probability of its being limited by Parliament, or if there is any probability that any effect will be given to the representations of the county of Kent.

2286. "I think that the Kent Company have at present a legal right to derive from wells on their land as much water as they can obtain." When an undertaking or a man has a legal right to take as much as he can from any piece of land

Mr. *Littler*—continued.

will you give me an instance where Parliament has taken that right away without full compensation. You hear my question?—Yes. You are now getting at the reason, of course, why we suggest this particular clause. I say we must take into account, or we think at all events the arbitrator ought to take into account not only the existing legal powers of the companies to take water, but the probability of their being subsequently limited and the liability to which the company is subject to have its powers to draw water limited.

2287. Do you know of any instance in which any undertaking has been deprived of its full legal power, where it has not misbehaved itself except upon full compensation?—No.

2288. I know of none, and I do not believe Parliament would ever do such a thing—at least I hope not in our time. Can you give me any instance of it?—No, I cannot give you any instance, as I said before, with all the circumstances analogous to those existing here.

2289. But can you give me any instance where a person having an admitted legal right has been subjected to an instruction put into an Act for the arbitrator to inquire into the legal powers of that person who has an admitted legal right without any reason, and Parliament has been asked to take away those powers?—No, I cannot give you any precedent for the state of things which exists here.

2290. Then the next paragraph I deal with is: "The legality of the charges now made or claimed to be made by the Kent Company together with the circumstances under which such powers of charges have been granted by Parliament." Is there the slightest allegation that our charges are illegal?—I am not at the moment dealing with the case of the Kent Company and I am not prepared to give evidence upon that point.

2291. But I am, and I have a right to do so.

Mr. *Freeman.*] Is not this rather contrary to the ruling of the Committee a few days ago, namely, that we were not to go into the details of the other cases while we were on the cases of the Lambeth and Vauxhall Companies.

Mr. *Littler.*] This is not going into details.

Mr. *Freeman.*] I beg your pardon—you have read certain clauses from your Bill and certain remarks from Mr. Cripps' book which apply solely to the Kent Company, and have asked how they apply to the Kent Company—when we come to deal with the Kent Company we will deal with these matters.

Mr. *Littler.*

2292. I am complaining here very much of the fact of there being eight Bills, and the reason for there being eight Bills is said to be a difference of circumstances. I want to see what those differences are and what possible justification there is for dragging us here. Surely I am entitled to do that. I have not done it at any very great length, and I am not going to discuss the Kent Company's case; I am simply getting from the witness some general principles upon which I can address the Committee. (To the *Witness.*) "The statutory

Mr. *Littler*—continued.

statutory powers of any other company to compete in any part of the Kent Company's district and the rights of any other company or body to supply water in the Kent Company's district, whether as now existing under Statute or otherwise, or as may be likely to exist in the future." What in the world is that put in for?—I can only say again that there may be very good reasons for modifying this clause in the case of some of the companies when we come to deal with their cases. We have not brought you here, bear in mind; you came at your own desire. May I refer now upon the question of the probability of the powers being limited to the petition of the County Council of Kent against the Kent Water (Transfer) Bill.

2293. But you had not that petition before you when you drew your clause?—No; but of course I knew the difficulty which we should have to face whenever we dealt with the Kent Company.

2294. But the only complaint which the Kent County Council have made is that you should not come and steal their water; that is all, is it not?—It is more than that.

2295. They do not ask to limit the powers of the Kent Company. All they ask is that if you come in you shall not steal their water for London?—No; forgive me, they go a good deal further than that.

2296. What paragraphs are you referring to?—Paragraphs 6 and 7 of the Kent County Council's petition against the Kent Water Bill.

Chairman.] I think, Mr. Littler, this is leading us rather far from the main question.

Mr. *Littler.*

2297. (To the *Witness.*) That is not a petition against our Kent Water Bill, because we have none?—I mean against our Bill dealing with the Kent Company. This only justifies our suggesting here that the probability of your power being limited ought to be before the arbitrator.

2298. Let me ask you before I leave Clause 7 this question: Do you know of any legal advantage or disability relating to the owners of a property which an arbitrator cannot take into account under the Lands Clauses Act?—I think that any existing legal advantage or disability probably would be within the power of the arbitrator to deal with. How far he would think it right or proper to have regard to it unless he were directed to look into it, is a different matter.

2299. If he is free to act for himself, we know very well he may act differently to what he would act if he were directed by Act of Parliament not to do something. Now do you concur in what you said in answer to question 3096, page 229, before Sir Matthew White Ridley's Committee. "I think we may take it to save time as admitted that if you go all over the United Kingdom and look at the history of all the cases there is no case up to the present time where a municipal authority has been permitted without purchasing the works of the existing company to introduce a supply in competition with that company." Do you still agree with that?—Yes; I do not know of any case where a competitive supply on the part of a local authority has been directly authorised. We are not here dealing with a proposal to introduce a competitive supply.

Mr. *Littler*—continued.

The Committee room was cleared.

After a short time the counsel and parties were again called in.

Chairman.] The Committee have decided to meet to-morrow at a quarter past 12, and on Friday at half past 11, and sit till three o'clock, but as some compensation we do not intend to meet on the Monday or Tuesday after the assembling of Parliament. We meet, therefore, on the first Wednesday after the Whitsuntide recess. Then as to the course of the evidence, I suppose the cross-examination of Mr. Cripps will be finished in reasonable time to-morrow.

Mr. *Pember.*] Personally, sir, from what I hear I do not think I shall find it necessary to ask Mr. Cripps any questions for the four companies for whom I appear. It may be that I shall have to ask a question or two for some of the outside authorities; but I do not think it is likely.

Lord *Robert Cecil.*] I might have to ask two or three questions, but I shall not be very long.

Chairman.] Very well then, we shall be able to take up some other witnesses to morrow, I hope. The Committee desire me to suggest that in the course pursued by the Counsel for the promoters of this Bill up to the present the examination of Mr. Cripps has gone rather upon the principle of arguing—first, as to the importance of the various matters contained in the conditions of Clause 6 of the Lambeth Bill, and, secondly, as to the necessity for their being set out in the clause, in order to bring them to the consideration of the arbitrator. We think at the present stage of the proceedings it would be better if that course were rather reversed. It seems to me that the stronger the case which may be made as to the importance of these various matters referred to in the clause is, the more probability there is they would be entertained by the arbitrator if he has a power of entertaining them at all; and what the Committee would like (of course we do not wish to interfere with the discretion of counsel) would be to hear more evidence in support of the view that it is necessary to give special instructions in order to have these matters brought to the knowledge of the arbitrator.

Mr. *Freeman.*] After Mr. Cripps' evidence, we will direct our evidence specially to that point.

[Adjourned till to-morrow, at 12.15 o'clock.

Thursday, 30th May 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

Mr. HENRY LAWRENCE CRIPPS, re-called; and further Cross-examined, as follows:

Mr. *Littler.*

2300. THERE is one question I should like to ask you which I think you will be able to answer. Is it not the fact that at the present time the aggregate market value of the undertakings of the companies is about 35,000,000*l.*?—Approximately you may take it as somewhere between 30,000,000*l.* and 35,000,000*l.* I do not know quite what it is at the present moment.

2301. I think your own reports have put it at between 34,000,000*l.* and 35,000,000*l.*?—It has varied, of course.

2302. Good investments are rather going up than going down, are they not?—Good investments, yes.

2303. Do you not regard the water companies as being good investments; I gather you do not from your emphasis on the word "good"?—I think they are very much over-estimated, having regard to all the circumstances, personally.

2304. I am much obliged to you for that answer. That explains what I was trying to make clear yesterday, but which I did not quite make clear. If they were taken at their present market value, and the arbitrator were to put on anything for prospective value for compulsory sale, it would be a very large sum of money altogether?—Well, if you can conceive the possibility of something being added to the present market value in respect of prospective value, of course it would be a larger sum than the market value alone.

2305. Can you give me any idea of what the effect of that would be on the metropolitan rates?—I do not understand you.

2306. What would the effect of a purchase of these companies be; if you have not considered the matter I do not press you?—I do not quite follow your question. Do you mean on the assumption that the purchase money is paid out of the rates of a year or out of money borrowed?

2307. If it were to be paid out of rates of a year, I suppose every window in the County Council office would be broken, and every councillor's head would be broken, but assuming 60 years (which is the outside allowed by the Police and Sanitary Committee), what would the result be on the rates?—It is a mere matter of calculation. You can take a sum of a million, if you like, as an illustration, and assume that it is raised by means of stock which has to be redeemed in a period of 60 years; you can calculate exactly the annual sum which is required, and exactly the amount of rate in the £ which would be required to produce the figure.

Mr. *Littler*—continued.

2308. Can you give that to me?—If you want that I would rather it were given accurately.

2309. I would rather they were accurate. Someone will give me that on your behalf?—Of course you will bear in mind it makes a very great difference whether the stock raised in that way is to be redeemed in 60 or 80 years, or, as we think would be more proper in all the circumstances of the case, 100 years.

2310. But your Bill does not provide for either one or the other, and what the Police and Sanitary Committee have as an instruction from the House of Commons is that the period of redemption shall not exceed 60 years?—But, if you will forgive me, the Police and Sanitary Committee have nothing to do with the matter, and the Bill we have in Parliament provides for 100 years.

2311. But that Bill has nothing to do with this Bill. I want to see where my company and debenture holders are going to be?—You have blocked our Bill, otherwise we should be able to show you where you would be.

2312. The Standing Order relating to the County Council at present is 60 years, is it not?—No. What the Standing Order provides is that Bills introduced by the London County Council for power to raise money shall be introduced as public Bills subject to certain conditions that in certain cases those money Bills may be introduced as private Bills. There is a condition that if they are introduced as private Bills they shall provide for the redemption of any stock created within a period of 60 years.

2313. Will you tell me within the last five years or even ten years of any case in which any corporation has been allowed to exceed 60 years?—Yes.

2314. Where?—I forget whether you said within 10 years, but we take Birmingham as being a precedent in this case. I think they had 95 years.

2315. That

Mr. *Littler*—continued.

2315. That was in respect not of the purchase of an existing supply, but for the provision of a new and supplementary supply, was it not?—In the case of Birmingham there was a provision.

2316. Please answer, if you do not mind. It is a very warm day, and I am very anxious to relieve the Committee as soon as I can?—I ought to apologise. I was trying to get the information to enable me to answer the question.

2317. Everybody knows that the case of Birmingham was a new and supplementary supply; it was not a purchase of an existing supply?—Yes, it was; you are wrong there. The Birmingham case of 1875 was a purchase.

2318. That is not within the last 10 years. I know there are older cases, but I asked you within the last 10 years?—I have, as a matter of fact, information as to all the cases, and I will get the facts and tell you. Of course, I quite admit that the general policy of Parliament, as expressed in recent years, has been to shorten rather than to prolong the period within which municipal authorities are to provide for their debts.

2319. Is it not also a principle of Parliament that, if they think a matter is of a temporary nature and not of a permanent one, they still further shorten it?—That would probably be so.

2320. And your view is, is it, that, in consequence of the denunciations of London water, which one has seen, you will be, before long, forced to go for a new supply?—Personally, I am of that opinion, whether the County Council will ultimately arrive at it, of course, is a matter for them.

2321. What I am dealing with is what they have said already. I know that Mr. Bassett Hopkins, for one, describes it as diluted sewage?—Yes; I think you may take it that all public feeling as expressed by the London County Council is in favour of settling this matter on a different principle to that which would be involved in relying in perpetuity on the Thames as a source of supply.

2322. Therefore this, being a mere temporary supply, ought to be dealt with by Parliament if it follows its own precedent on a much shorter time than 60 years?—I think not.

2323. Is it not a fact that for even freehold land the practice of the Local Government Board is to give 50 years; for buildings 30 years, and for temporary purposes, such as roads and so on, 20 years?—Yes, that is the practice of the Local Government Board.

2324. I only want sufficient from you to found my argument hereafter upon?—If you will allow me to explain my answer, because perhaps it may be a little misleading if I do not, I do not think that applies in the least degree to the sum which we are going to be called upon to pay as a condition precedent to the undertaking of our own water supply. We have got to pay it once.

2325. That is a matter of argument. I am getting facts from you?—I thought you asked my opinion.

2326. If you can I want to disassociate argument from facts. I want the facts on which I will argue presently.

Chairman.

2327. Do you wish to explain that further, Mr. Cripps?—Yes. I think what the learned counsel is dealing with is the condition on which Parliament has authorised the raising of money for the ordinary operations of municipal corporations which they have to carry on from year to year, such as street improvements, sanitary purposes, extension of waterworks, tramways, and one thing and another. The sum which we are going to be called upon to pay here is in the nature, I might almost say, of a penalty. It is a sum which we have to pay as a condition precedent to the management of our own water supply. We have never had to pay it before; we shall never have to pay it again; we are not altogether, as Londoners, responsible for the obligation to pay it, and I think it would be eminently fair and reasonable that we should have the longest possible period to provide for the redemption of the stock.

Mr. *Littler.*

2328. But is it not the fact that all principle heretofore (I have never heard of this doctrine of penalty before) provides that that which is of temporary effect, involving hereafter a large permanent expenditure, is always put on the lower number of years and not on the higher?—Yes, but I do not agree at all that this is a payment for a temporary effect.

2329. I do not want you to agree with me about that, because I know you will not, and it is no use your saying that each time. What I want is the principles upon which Parliament acts, and Government Departments act, and then as to whether they are applicable I shall ask the Committee to judge whether you or I are right. It is not a fact that in all cases outside of London, when water purchase has been proposed, not only has it been indicated by what authority the purchase should be, but within what time the purchase should be?—Do you mean within what time the purchase should be completed?

2330. Certainly?—I think that has usually been the case. I cannot answer for every case without investigating the matter.

2331. Why is it not so here?—It is proposed that it should be so here.

2332. But it is not so in the Bill, as I read it?—It is proposed the transfer should take effect as from a given date.

2333. Yes, the transfer, but I am talking about the purchase. Do you know of any case in which the transfer has taken place before the purchase?—No, I think not.

2334. Why have you put it in this Bill?—Because you see the great complication which there is in all these cases.

2335. That is all the more reason to the contrary, I should have thought?—It might, very likely, and I think the advisers of the water companies will agree with me, be eight or ten years before the actual sum to be paid for these undertakings could be ascertained.

Mr. *Littler*—continued.

2336. I hope the water property is not going to be hung up for eight or ten years, because, if so, you will ruin the companies before you come to your arbitration?—The companies, we hope, are secure; at all events, it was the intention to secure them fully by the clauses of the Bill; we have dealt with that rather as a matter of clause. I can go into it if you like.

2337. Take, for instance, the purchase of an acre of land before you hand over the land or the title; do you get your money?—The ordinary rule is no doubt so.

2338. Why should it not be so here?—I have tried to explain that to postpone the actual transfer until the exact amount of purchase-money is ascertained would prolong, to an almost indefinite period, a state of chaos which has already gone on far too long. It ought to be prevented at once, provided proper arrangements are made for securing to you the payment of the money which is due to you.

2339. What is to prevent you (supposing you get power to buy two of the companies, and you may not be disposed to buy the others) running the concern for eight or ten years to the destruction, pecuniarily, of all the other concerns as profit-making machines?—First, you must permit me to say you introduce into your question a supposition which is not correct, namely, that we are not disposed to purchase the rest of the companies. You base your question upon that hypothesis, which is erroneous.

2340. Then why will you not accept what Mr. Bidder suggested yesterday, a provision that you will not buy any one until you agree to buy all?—I have tried to explain that.

2341. You have told me you are willing to buy them, but if it is to be eight or ten years hence before you buy the other companies, I point out to you that, in the meantime, we run the risk of private capital being exposed to competition with persons who get their money out of the rates, and to whom it does not matter if they supply water for nothing as long as their constituents return them. How do you get over that?—In this way. First of all, we are dealing with two companies, the Southwark and Vauxhall and the Lambeth undertakings. We propose to take those together. It would be true if we had bought the Chelsea and Vauxhall Company alone, and had nothing whatever to say to the Lambeth Company, we might, with the powers which we should have thus got and paid for, competed with the Lambeth Company throughout the whole of its district, if Parliament would have allowed us to do it. We are not proposing that here; we are proposing to take both the Southwark and Vauxhall and the Lambeth Companies together at the same time on the express understanding that the arbitrator shall have regard to the circumstances which exist, by reason of the powers of competition between not only those two companies, but those two companies and the West Middlesex. That does not cover, I admit, the whole area, because there is a little bit on the extreme east of the Lambeth district, a portion of Lewisham and Beckenham, which is also within the limits of supply of the Kent Company. That may involve some question of clause as between the Kent Company and the London County Council when we get to the question of clauses.

Mr. *Littler*—continued.

2342. But supposing we do not get our clauses, and you get the power to compete, where is the Kent Company going to be for the next eight or ten years; if you want to buy me, why do you not buy me now, and put me out of my agony, especially as I am to be eight years dying?—Because you are not willing to sell or agree to any terms on which your undertaking should be purchased.

2343. Certainly not; I tell you we do not want to be bought, and we think your scheme an extravagant and wasteful one, but if Parliament thinks otherwise, and thinks London ought to have its water in its own hand, we must bow, but why am I to wait eight or ten years while you are settling with the Lambeth and Southwark and Vauxhall Companies?—You have already had the distinct assurance that the object of the London County Council is to bring forward, one after another, all these Bills for the purchase of the undertakings of all the companies.

2344. I will not refer to what happens to good intentions; I think I have asked you all I need about this clause?—I think I can answer now a question I left unanswered a little while ago, about the number of years within which Parliament has provided that money should be repaid. I shall have to go back before 1879, which I know does not quite comply with your question, because you ask me about 10 years.

2345. If you cannot give it within that time, I do not desire anything more. I will now go to Clause 12 of the New River Bill?—The New River Bill, may I say, is a Bill altogether different from the present.

2346. I am taking the clause about the contracts made after the notice of transfer to be temporary only. That is a clause common to all the Bills, but I think in some of the Bills it is No. 11, and in others No. 12. It is that "any appointment to any office or service, and any contract with respect to any matter connected with the undertaking, and any grant or alteration in the rate of salary or wages payable to any officer or servant, made subsequently to the 1st day of July 1894 shall not continue in force after the date of transfer unless it shall have been made with the consent in writing of the Council." Why in the world do you go back nearly twelve months before the passing of this Act?—Because that was the date when an authoritative and final declaration was made as to the policy of the Council, as to the purchase of these undertakings.

2347. But in the meantime we have made all sorts of contracts with all sorts of people, which contracts, we venture to think, as honest people, we ought to fulfil. Why are you going back to before the passing of the Act?—As regards any necessary contracts made since the 1st day of July 1894, there can be no difficulty whatever in dealing with them as a matter of clause.

2348. But why is this clause put in; I do not understand it. We have been carrying on our business on the assumption that we are honest men; carrying on our business under our Acts of Parliament

Mr. *Littler*—continued.

Parliament or our charter, whichever the case may be; why in the world do you want to interfere with contracts which we have made?—We are passing through an intermediate period when a declaration of this intention to acquire, if Parliament will allow it, has been made and the date of the actual acquisition. I cannot at the moment refer you to any precedents, but I can tell you, as a matter of fact, that it is not an unusual provision at all, that during a suspensory or intermediate period of that sort, there should not be an unlimited power on the part of vendors to enter into contracts without the consent of the future purchasers.

2349. But this is a suspensory period arbitrarily fixed by you before the Bill came in. I know Parliament does sometimes put in suspensory powers with regard to matters after the passing of an Act, but will you give me an instance where Parliament has interfered and said: "Before the passing of an Act, any contract or agreement made months before, shall be subject to the consent of somebody who comes in afterwards"?—Do you want a precedent?

2350. I want to know why it is put in this particular case?—I will tell you, because the Council thought it right that during this intermediate or suspensory period, there should not be an unlimited or unrestricted power to enter into contracts on the part of the company.

2351. Do you think the company are going to make wrong contracts; who do you suppose is going to enter into contracts with us for carrying on our ordinary work, if it is to be subject to the sanction of someone else?—You might have entered into a contract for the construction of an exceedingly costly reservoir in the Thames Valley, which the County Council think unnecessary.

2352. But we have not got the money for it?—Not the New River Company?

2353. But you do not suppose they are going to the Thames Valley, do you?—I thought you spoke of the New River Company.

2354. I ask for the Kent Company; I ask why should I be subject to this; why are you to date back to July of last year to throw doubt, and not only to throw doubt, but to invalidate contracts which I have honestly made with my contractor, unless you choose to come in and consent?—I cannot say more, but it seems to me, generally speaking, reasonable; the provision will not speak unless the Preamble passes, and the acquisition does take place, and if it does take place, it is a matter which ought to be regarded.

2355. Take for illustration the large contracts the New River Company have with Messrs. Docwra. Suppose they made a contract on the 2nd July 1894, which the Council considers an extravagant contract, you may refuse to sanction it. Have you considered what the result of that would be?—Yes.

2356. Have you considered that the result of that would be to make it *ultra vires* for the company to pay Messrs. Docwra for the work already done?—We have assumed if there were any such case, it would be dealt with as a matter of clause.

Mr. *Littler*—continued.

2357. It cannot be dealt with as a matter of clause, it is a matter of right; a contract has been entered into for 50,000*l.* worth of work, you not only make that invalid as against us, but as against Messrs. Docwra, who have nothing to do with it. Why should you do that?—I can only repeat as a matter of general principle; it seems to me the clause is reasonable and will not hurt you. If there are any special circumstances they can be dealt with as a matter of clause.

2358. Take a contract made to supply water in bulk to a great public undertaking for the purpose of encouraging it?—I make the same answer.

2359. You do?—Yes.

2360. If all contracts are to be torn up?—But it is not so; they are not to be torn up.

2361. "Unless it shall have been made with the consent in writing of the Council," that is to say, it shall not continue in force against the Council after the date of transfer, or form the subject of compensation, "unless it shall have been made with the consent in writing of the Council." Upon that you will have taken our property; you will not have paid us for the property you have taken; the contract will not be binding against you, do you contend it will still be binding against us; will it still be binding against the company?—That will be the effect of the clause as it now stands; you will have to show us what the contracts are, and they can be dealt with.

2362. You have taken their property; you have taken their income; you have left them their liability, and you repudiate it?—And we have given you the money.

2363. What is to happen to the debenture holders during those eight or ten years?—The liability to pay the interest on the debenture stock will be continued under this Bill.

2364. In the hands of the County Council?—In the hands of the County Council.

2365. But suppose that the County Council has in the meantime elected that there shall be, for example, free water to everybody?—Which Bill are you referring to?

2366. Anyone of them?—Well we will take the Lambeth Bill, shall we?

2367. Yes. At the present time you know the debenture holder has the security of the first charge on the undertaking. He has the knowledge that the undertaking is carried on by directors whose first duty it is to earn a profit for their shareholders as well as to cover their debenture stock. Now you will be in the position that you will have no shareholders; you will have no directors and beyond such obligations as are contained in this Act there is nothing to secure them?—I have endeavoured to arrange that, of course, but the water companies will treat this debenture stock case as part of their general case in the hope that it may aid them in throwing out these Bills.

2368. You have no right to say that?—I have indeed.

2369. They have a duty to perform to their debenture holders, and I tell you as their counsel I for one will not advise them that it is safe to let you have the debenture holders' property until

Mr. *Littler*—continued.

the money is paid. I tell you that, advising them as their counsel, and you have no right to say it is for the purpose of making a difficulty, because it is not?—That suggestion has never been made to us till this moment; we have asked for suggestions; we have told the debenture holders' solicitors that we are anxious to secure the debenture stock absolutely, over and over again it has been stated there is not the least intention to interfere with the position of debenture stock.

2370. Not the least intention to interfere when you do it in a most distinct and express fashion?—Have you ever known the property of a mortgagee being handed over to some one else without its being subject to the whole of the conditions of the mortgage. If you are prepared to take the money paid for this undertaking and settle with your own debenture stock holders, I should think that would meet the case very fairly and I understand that to be your suggestion, but it has never been made before.

2371. I ask you this question: Have you ever known of a transfer of a mortgage without all the obligations being transferred to the person who is the mortgagor?—Of course that is the rule, and to that we have endeavoured to give effect by this Bill, because we have provided by Clause 11 that the debenture stock of the Lambeth Company shall after the transfer——

2372. Where is there is a single word in the Bill about a provision for the payment of a debenture interest even. We are now alarmed, you know, because you mention eight or ten years as the probable time before this is settled, to the destruction of every marketable security concerned?—Not at all. Let me answer your question before you comment on it. Under Clause 2, "the debenture stock of the Lambeth Company shall after the transfer continue to be charged on the undertaking as by this Act transferred to the Council in the same manner in all respects as before such transfer."

2373. There is not a word about paying the interest in the meantime?—Then in Clause 17, it is provided that "unless the amount of the consideration to be paid by the Council to the Lambeth Company shall be settled by agreement or determined by arbitration previously to the 30th day of September 1896, the Council shall on that day pay to such of the holders of debenture stock as shall not have accepted Metropolitan Consolidated Stock Annuities or other security in exchange, therefore a sum of money representing one half year's interest on their debenture stock and to the Lambeth Company one half year's dividend on the ordinary capital of the Lambeth Company at the rate paid thereon respectively for the corresponding half of the year preceding the introduction of the Bill for this Act, and a similar payment shall be made half-yearly at the expiration of every subsequent half-year until the amount of the consideration be settled or determined as aforesaid."

2374. That is so, but it was suggested to me it was not so?—I have often thought people criticise these Bills without taking the trouble to read them.

Mr. *Littler*—continued.

2375. We do happen to have read them very attentively, and the more we read them the more unbusinesslike they seem. You provoke me to that. You have brought in a most unprecedented Bill.

Mr. *Balfour Browne.*] We must not have scolding, please; ask questions.

Mr. *Littler.*

2376. It is only because I am provoked to do it by a most offensive remark, and I hope Mr. Cripps will not make any more of them. (To the *Witness.*) Why is it there is no provision in these Bills for winding up the companies; that is usual in every Bill that I have ever seen of the kind, and I think I am right in saying that is not in this Bill?—Yes, you are right there.

2377. For once.

Mr. *Balfour Browne.*] "For once," Mr. Littler is modest.

Witness.] The object, of course, has been to deal really in these Bills with the main essential point of this case which is the transfer. There are many incidental provisions which are necessary, and which involve a great deal of work and time, and the question was whether each of these Bills should contain a clause for winding up the company. On the whole it was thought better to leave it to each of the companies themselves, having got their purchase money under this Act to deal with that purchase money as they think fit; they can introduce their own Bills for winding up, and deal with the matter as they think best in each case, but circumstances of cases differ. The company you represent, the New River Company, would not probably wind up; they would go on doing as they do at present; they would receive a certain annual sum which would represent the income derivable from their water undertaking.

Mr. *Littler.*

2378. We will see about the New River Company directly. Are you aware that the winding up of a company of this kind is an expensive matter?—Yes.

2379. You know that usually the winding up of a company is part of the consideration to be paid. There is no provision for giving any sum, nor could the arbitrator under your Bill provide the money for winding up, could he; is not that so?—At the moment, I rather forget exactly how that stands.

2380. I will not make the suggestion that you have not read your own Bill. I will ask you one or two questions with regard to the New River Company. The New River Company has no shareholders, has it, in the ordinary sense; it is not a joint stock company?—Again, I do not know whether we are to go into the New River Bill, we have not yet opened it. It has not been read a second time.

2381. But you have been perpetually referring to the New River Company, and you now object to my doing so.

Mr. *Balfour Browne.*] Before my learned friend goes on; of course I have not the least objection to his cross-examining on any general principle, but I think it will complicate the matter enormously if

if he goes into the details of the New River Bill at this stage.

Mr. *Littler.*] I am not going into details.

Mr. *Balfour Browne.*] If it is a matter common to the other Bills you might have a right to go into it, but certainly not if it is something that affects the New River alone.

Mr. *Littler.*] I am proposing to give an illustration of the difficulty arising out of Mr. Cripps' own suggestion. He said the New River Company would probably go on, and I am now going to show to him what the difficulty is about the New River Company on his own answer.

Chairman.] I think that is fair.

Mr. *Littler.*

2382. (To the *Witness.*) On your own answer it is the fact, is it not, that the New River Company has no shareholders in the ordinary sense?—I am not aware that that is the case. There are certain shares of a peculiar character, of course.

2383. There are a number of gentlemen associated who buy portions of freehold estate. You know the holdings in the New River Company are not transferred by shares in the ordinary way, but by an assignment of freehold estate, is not that so?—No, I do not think so.

2384. Do you not think so. Do you not know?—Of course I know the position of the New River Company is very exceptional; there are the King's shares, there are the Adventurers' shares, and there are the New shares.

2385. But do you not know that they are freehold estate, and that they confer a freehold vote for the counties through which the river passes?—I am not sure about the King's and Adventurers' shares, but one set of them do.

2386. Do you know further that there are no annual meetings of shareholders?—I was not aware of that.

Chairman.] It is hardly worth while asking Mr. Cripps if he does not know about these particulars.

Mr. *Littler.*

2387. I want to know how much he knows about the New River Company when he talks of its being wound up?—I know that the management of the New River Company's undertaking is in the hands of a board of directors in a different sense to that in which the other undertakings is in the hands of boards of directors, and I believe the boards of directors can do what they please as regards the New River property, or at all events, to a great extent, without meetings of the proprietors.

2388. And you know that the possession of certain shares constitutes a director *ipso facto?*—Yes.

2389. Now, if there is no winding up of the companies, how are you going to protect the shareholders when you hand over the money. You are going to hand it over to two or three gentlemen who may be, no doubt, of the highest respectability, but how are you going to protect the shareholders?—The money can be paid over in whatever way the companies like, either into

Mr. *Littler*—continued.

court or to the directors, or on the order of a general meeting, it does not matter in the least. I thought the proposals of this Bill would probably be the most convenient, but, of course, I cannot avail myself of the assistance of the water companies in this matter, and we are obliged to do the best we can.

2390. You said, I think, yesterday, the reason why the Metropolis Waterworks Bill of 1877 and 1878 was not gone on with, was that the Metropolitan Board of Works could not promote private Bills?—No. One of those Bills was a private Bill; the other was a public Bill.

2391. I have one which was a public Bill in my hand, and this Bill I think was prepared by you, was it not?—It was prepared in my office, not by myself personally. I was not personally responsible for any of the proceedings of 1877, 1878, or 1879.

2392. At all events, I will see what the Metropolitan Board thought was right. This is the Bill of 1878, the Metropolis Waterworks Purchase Bill. Clause 5 says, "The Board shall, within three years after the passing of the Act, by notice in writing, require each and every company specified in the Schedule," which I think is the whole eight, is it not?—Yes.

2393. "To sell, and every such company shall, when so required, sell in a manner as prescribed." Then Clause 6 is, "The consideration to be paid by the Board for the purchase will be such as may be settled by agreement, or failing such agreement, as may be settled by arbitration, in the manner provided by the provisions of the Lands Clauses Consolidation Acts." That is what was thought to be fair then. Then there was a provision as to the conditions of the transfer, fixing the date, and providing for all liabilities, and so on. Then Clause 10 is, "After notice to purchase has been served upon such company, and until the transfer of the undertaking, the powers, privileges and authorities of such company, and of the directors of such company shall be enjoyed and be exercisable in every respect as if this Act had not been passed." That was the proposal then?—Provided always.

2394. "That after such notice and until such transfer" (I am much obliged to you) "shall not make any payment, enter into any contract, or do any act not necessary in the ordinary course of their business" (which is very different to this if they cannot buy it without consent), "whereby the Board may be in anywise injured or prejudicially affected." Then the condition was that the amount of consideration should be paid or issued to such of the directors as should be provided at a general meeting; "and the directors may exercise all the powers necessary for distributing such consideration as aforesaid, for winding up the affairs of such company, or for continuing any part of their business which they may be capable of continuing, according as such company shall by resolution determine." Had you that before you when you prepared this Bill?—Yes.

2395. And you preferred yours?—Substantially it is the same, subject to this, that any arrangement which the companies prefer for

Mr. *Littler*—continued.

dealing with the purchase-money, of course the Council would agree to. It is quite immaterial to the Council how that matter is dealt with after the money is paid.

Cross-examined by Mr. *Pember*.

2396. I think you have already said there is no precedent, so far as you know, for Clause 10 of the Lambeth Transfer Bill, which is to the effect that contracts made after notice of transfer to be temporary only?—I quite admit that the whole of this scheme is unprecedented, but I think you will allow me to say that there is a similar arrangement ordinarily as between the passing of an Act authorising a purchase and the carrying out of the purchase.

2397. Quite so; but of course you will not do otherwise than notice that this clause is retrospective, and goes back to July 1894?—Yes.

2398. I wonder whether this is quite clear to your mind also, that the clause makes any contract made after that date not only voidable, if you think it right to make it voidable, but absolutely void. Bear with me while I read it to you: "Any appointment to any office or service of the Lambeth Company, and any contract made with respect to any matter connected with the undertaking made by the Lambeth Company," "made subsequently to the 1st of July 1894, shall not continue in force after the date of transfer," it makes it absolutely void, "unless it shall have been made with the consent in writing." It does not, therefore, merely give you the power to repudiate such a contract, but it makes the contract void if it does not happen to have been entered into with your consent?—Yes, but I have already stated I really think the clause will probably have served its purpose by having been introduced into the Bill. I do not think, myself, there is any probability of the companies having entered into any contract of the nature, as one might describe it, of necessarily causing any injury, but whatever contracts have been entered into—I am sure I may say that for the Council—of a reasonable and proper character, would, of course, be saved.

2399. But they are not saved; that is what I want to point out to you. The clause as it is drawn does not give you the power of saving any contract; it does not say, "Shall not continue in force unless the Council shall be willing to continue them," but it says, "Shall not continue in force unless they shall have been originally made, with the consent of the Council." I put this to you as a concrete instance, which is much better than a general suggestion. Are you aware that on the 17th of August 1894 the East London Company got a Bill which enables them to spend about 400,000*l.* or 500,000*l.* on storage and filter works, and so on?—Yes.

2400. Are you aware that by Clause 9 of that Act (before the Bill passed) it is provided that the additional filter beds and works for improved filtration and storage shall be commenced as soon as practicable after the passing of this Act, and be prosecuted with all due diligence; in other words, that Parliament felt the urgency so great that, as a condition of our getting the money,

Mr. *Pember*—continued.

they said, "You shall begin at once to spend it"?—Yes, I am aware of that.

2401. Do you know that we have absolutely, since July 1894, let a contract for the purpose of making one of the reservoirs under that Act to the amount of 150,000*l.*?—I am aware generally that you have taken steps to proceed in the execution of those works.

2402. Will you take it from me that is so?—I have no doubt there is a contract.

2403. As you did not know of the existence of a contract, I think I may further take it from you that that contract was not entered into with the consent of the County Council?—No.

2404. Then just tell me as a draftsman of these Bills, is not that contract therefore absolutely void if that clause passes into law?—Yes, I agree at once that a contract of that sort is a contract which ought to pass to the Council under the terms of the particular clause which transfers contracts.

2405. I think you have fairly said that you thought this clause had served its purpose by being introduced, which means, I suppose, we may consider it gone?—I think not. It is a matter of clause, I think; but perhaps in the interval the companies could tell us, or the companies with whom we are now dealing, whether there are any particular contracts or not, and they could very easily be dealt with.

2406. They cannot be dealt with if that clause remains?—They can by an amendment of that clause.

2407. There is another thing which strikes us as a little curious. I notice you have a Clause 8 in the Lambeth Bill called "transitory provisions," and that clause is worded in this way: "Until the date of transfer the undertaking shall be carried on by the Lambeth Company according to the ordinary course of their business." But, further, you say they are to keep all works and property forming part of the undertaking in good and substantial repair. Might not that involve the necessity of making a somewhat extraordinary contract?—Yes, to begin with, you will see we have made a little amendment in that clause already, and I think that clause is taken from the Bill which Mr. Littler referred me to, and asked me if I had read the Bill of 1878.

2408. I wish you had taken a little more from the Bill of 1878, and we should have had less to do. I have done my best to find out, sir, what has been asked in cross-examination on the general points of these Bills, and I do not think it would be fair to you if I persevered in general cross-examination. I thought it worth while to do what I have done. There is one thing more I should like to say. The Lambeth Company, which is one of the companies for whom I appear, has been to some extent attacked, by the evidence of Mr. Cripps and Mr. Charles Harrison, as to its charges, and one or two other matters; as those are all matters on which the company feel perfectly clear, and they only desire to express what their own view is of their legal rights, it was not absolutely necessary that I should cross-examine to either of those points, and I prefer therefore to leave those points to substantive evidence if it becomes necessary to call it. With

regard

Mr. *Pember*—continued.

regard to the other companies for whom I appear, I make the same observation; I do not think it necessary to do more.

Cross-examined by Mr. *Richards.*

2409. With regard to your statement in evidence-in-chief at page 242, Question 1764, I want to ask you a question as to whether this is on principle or detail. Taking the East London district, the whole arrangements probably between the London County Council and the county of Essex and the urban authorities, will be of a different character to those here. Now, kindly look at page 296, Question 2182. "The question of relations of outside districts and the inner municipality would apply, would it not?—It has been already stated that the Council are prepared to come to an arrangement with all the outside areas on the same general principles as those which have satisfied the county of Surrey, but the other counties are differently situated and want different arrangements." What I want to ask you for the County Council of Essex is this, do you adhere to your evidence-in-chief or cross-examination, that it is a question of detail or of principle in dealing with us?—I think it is rather a question of detail than a question of principle. The Surrey authorities, as has been already explained, are satisfied with the arrangements we have made. As regards the county of Essex we have a certain proposal from the West Ham Corporation, and we understand we are to have a proposal from the various local authorities from the county of Essex. I do not think at present we have any definite proposal, but it was indicated on their behalf that they wished the matter to be dealt with on somewhat similar lines. They thought that possibly there might be a joint board established of the various local authorities in the county of Essex, but as regards general principles, as Mr. Charles Harrison stated at the outset, the Council are quite prepared to offer to all the outside counties an arrangement on the same basis as that with Surrey, subject of course to this, that there is a particular provision in the case of Surrey as regards future requirements which would have to be considered carefully on its merits in the case of each of the other counties.

2410. Has that proposed arrangement with the Borough of West Ham been approved by the County Council of London, or their Water Committee?—Not at present, but only for this reason, that we have got a very large number of complicated questions to deal with here, day-by-day, and the Committee dealing with that particular matter are, as a matter of fact, going to meet this afternoon. There has been every desire on the part of the London County Council to act in harmony and concert with all the county councils.

2411. Then do I take it from you that as far as Essex is concerned we shall not be prejudiced by anything which may pass in this Bill with regard to your agreement with Surrey; and especially I call your attention to the question of future requirements, for which you only give the county of Surrey 20 per cent.?—Yes; we have put our case throughout on that basis. The circumstances of each county and each district vary so much that you cannot be prejudiced in Essex by anything which is done in these Bills.

Mr. *Richards*—continued.

2412. I mean on the question of the future supply, increasing population, and the question of springs in the county of Essex being retained for the persons in that area?—Those are questions which, no doubt, will have to be discussed when we get to the East London Bill, unless they are all adjusted, as I hope they may be, by agreement in the interval.

2413. But in no way shall we be prejudiced in discussing that with your County Council if this arrangement with Surrey holds good?—I think that is rather a question for you to address to the learned counsel.

Chairman.] I do not think Mr. Cripps can discuss this.

Mr. *Richards.*] I should be satisfied with his answer if he would admit the circumstances of Essex are different to those of Surrey.

Mr. *Balfour Browne.*] I will admit they are as different; so different that they should not be discussed on this Bill.

Mr. *Richards.*] If you will say you are prepared to discuss them as a question of principle if we come to them, and we shall not be precluded, because an arrangement has been come to with Surrey on this basis——

Mr. *Balfour Browne.*] I will not say what I will say until the Bill comes on.

Mr. *Richards.*] What do you say?

Chairman.] I do not think we can go into that now.

Cross-examined by Lord *Robert Cecil.*

2414. You said in your examination-in-chief that you dealt with this question by eight Bills rather than one Bill, on the ground that it would be a great saving of expense to everybody concerned?—That was my own idea, certainly, at the outset of the case.

2415. As a matter of fact, the outside authorities have in fact been advised that it is impossible for them to allow any one of these Bills to pass without being prejudiced when they come to discuss the Bill which more immediately affected them; do you know that?—No, I do not know that. Of course I cannot dispute the excellence of the advice given to them; I should have thought otherwise myself, but they are quite entitled to be here and take that line.

2416. So that, in point of fact, whatever your intention may have been, the result of proceeding by eight Bills rather than by one is to multiply the number of petitions by eight?—I do not think it is so by any means.

2417. At any rate, it will immensely multiply the number of the petitions?—It may multiply the number of petitions to some extent, but it lessens the number of petitions which need be heard at the same time, and a good deal lessen the contents of the various petitions.

2418. How is that; is it not the fact that all the local authorities have petitioned against these Bills?—I did not advise them to, and it is not the fact, I believe.

Lord *Robert Cecil*—continued.

2419. You say it was unnecessary. Let me put this to you: Supposing a local authority had allowed these Bills to pass, supposing they are passed without entering any protest, when they came to discuss the question which immediately affected them, would not they be at once met with the reply, "This has been already decided"?—We put these cases before the Committee as essentially different and distinct from one another.

2420. But you have drawn all your Bills in the same way, and in the same form?—Yes; substantially in the same form.

2421. The general scheme of this Bill, as far as the outside authorities are concerned, is that, subject to agreement with the London County Council, the London Council are to supply the whole districts, both in and outside London, with water, either as they do now or in bulk?—Either as the companies do now or in bulk.

2422. I will deal with the disadvantages of a supply by the London County Council to outside authorities in a minute, but how do you suggest that the County Council of Middlesex, for instance, can enter into any agreement which will have any binding force upon them or upon the London County Council?—I think that any agreement would have to be dealt with on the same lines as this agreement with the county of Surrey; it would have to be scheduled to and confirmed by the Bill.

2423. But that would not give the Surrey County Council the power to become, as it is contemplated by this agreement they should become, the water authority for the county of Surrey, would it?—As a matter of fact it is not intended by the Surrey County Council to become the water authority.

2424. I cannot go into the intentions of the Surrey County Council, but in the agreement the Surrey County Council contemplates becoming the water authority for the county of Surrey, is not that so? It is not worth disputing really, it is quite clear, is it not?—It is quite clear the effect of the agreement would be to transfer to the Surrey County Council all the same powers as regards distribution and charging as the London County Council would have purchased from the companies.

2425. That agreement the Surrey County Council has no power to carry out at present under its existing powers, has it?—No, I do not think that there is any existing statutory power which would enable them to enter into such an agreement.

2426. As far as the present position of the Surrey County Council is concerned, that agreement is absolutely void, is it not?—Yes; I suppose it is until it is confirmed.

2427. But even as confirmed. You have read, no doubt, the Report of the Local Government Board. You know they have reported that there will be no power to carry out such an agreement as this?—No, I have not read that. As a matter of fact, that report, let me explain, has reference to the Bill as framed and deposited. There has been some correspondence between the Surrey County Council and the Local Government Board since, dealing with this particular subject.

Lord *Robert Cecil*—continued.

2428. But you do not suggest that you are going to put in provisions which will enable the Surrey County Council to carry out this agreement in your Bill?—We propose certainly to ask Parliament, when the time comes, to insert a clause in this Bill confirming the agreement with the Surrey County Council.

2429. But will that be sufficient? We do not want to go into details more than is necessary, but you know perfectly well that will not be sufficient to enable the Surrey County Council to carry out this agreement, do you no; indeed it appears on the face of the agreement, does it not?—I think that it is exceedingly probable that some further application to Parliament will be necessary, and that is provided for by a clause in the agreement.

2430. But there are no powers in the Bill to enable the Surrey County Council to buy a rate for such a purpose as becoming the water authority, are there?—No.

2431. There is no machinery whatever to enable them to become the water authority, is there?—No, the only power would be that they would be able to make the same charges which the companies are now making.

2431A. Do you say they would have the same powers under the agreement to levy the same charges?—Yes, under this agreement, as confirmed by an Act of Parliament.

2432. Do you suggest that the mere scheduling of this agreement to the Bill would extend the powers of the County Council beyond those which were given to it by the general Act of Parliament; do you seriously contend that?—I think that would be a question of the terms of the clause confirming the agreement, but I think myself that an ordinary confirmation clause would be sufficient, subject to Article 12 of this agreement, which provides for future applications to Parliament.

2433. Have you made any suggestion at all that one of the objects of the Bill for the transfer of the Lambeth Company to the London County Council is also to extend the powers of the Surrey County Council?

Mr. *Balfour Browne.*] May I ask, sir, really does this lie in the mouth of Middlesex?

Lord *Robert Cecil.*] I will explain in a moment why I suggest this is very important. What we say is that practically we are left at the mercy of the London County Council with such an agreement as this, just as much as we were before; the agreement is absolutely valueless according to our conception of the law; and, therefore, we shall be entirely at the mercy of the London County Council after entering into such an agreement just as much as we were before.

Mr. *Balfour Browne.*] Then you can enter into another agreement; you are not bound by this agreement. It satisfies us, it satisfies Surrey, and it satisfies the Local Government Board.

Chairman.] I do not think myself at present you can argue this point upon this present Bill.

Lord *Robert Cecil.*] Allow me to put my point, if I may. What is said is, this Bill provides

vides for the supply by London to the outside authorities of water, but that provision is subject to another provision, that the outside authorities should make agreements with London in order to supply themselves, or whatever it may be. If I can show that it is impossible for the outside authorities to make such an agreement then the Bill is left without that alternative. In other words, it provides for the supply by London to outside authorities, and I think I shall be able to show you that that is a very undesirable condition of affairs, considering the fact that we have no kind of representation on the authority which proposes to supply us; that is my point.

Chairman.] I think you may do that.

Lord *Robert Cecil.*

2434. I think I have pretty well come to the end of it. (To the *Witness.*) Practically this agreement does contemplate, does it not, that it will not be effective without some further legislation on the subject. I call your attention to Clause 12?—Yes; I have referred to that already. I do not know that it admits the necessity of future applications to Parliament, but a future application to Parliament may be necessary, and that contingency is contemplated.

2435. But how do you propose they should raise the money for the purchase of the undertaking under your Bill without some further legislation?—As I say, it is quite possible we may not be able to arrange it under the combined powers of this Bill and the Public Health Act; but the Surrey authorities are satisfied with it. I think they are right myself, and I think you might be satisfied with a similar agreement.

2436. That is scarcely an answer to what I asked. I asked you whether it was not necessary that there should be further legislation beyond this Bill in order to enable the Surrey County Council to carry out this agreement?—I think it is most likely there would be, but may I refer you to Clause 23 of the Bill, because the agreement which we have made with the Surrey County Council is only an agreement under the terms of Clause 23.

2437. I admit that the scheme of the Bill is that the London County Council should supply the authorities outside—there is no doubt about that—but what I point out to you is that there is not sufficient machinery and, as I am advised by those who are much more acquainted with the subject than I am, there cannot be inserted in this Bill any power to enable the Surrey County Council to carry out any such agreement?—I think we can insert in this present Bill all the powers which are necessary for the Surrey County Council, and I think we should be able to insert all the powers necessary for the Middlesex County Council.

2438. Do you suggest there is power in this Bill for the Surrey County Council to raise money to buy these undertakings from London?—It is not proposed the Surrey County Council should raise any money.

2439. How are they going to pay the price?—The money will be raised by the Urban District Councils or the Joint Committees of the Urban District Councils, to whom again the Surrey

Lord *Robert Cecil*—continued.

County Council will transfer the powers which they acquire from us.

2440. Is there a word of that in the agreement?—No, I do not think there is.

Mr. *Balfour Browne.*] It would not be in the agreement between us and the County Council.

Lord *Robert Cecil.*] I suggest that that would be wholly beyond the powers of the Surrey County Council. As to the proposal in Clause 12 that the Surrey County Council should promote a Bill in order to enable them to carry out this agreement, I called Mr. Harrison's attention, and I should not bother you with it again, only he gave a reply which I venture to think may possibly have misled the Committee—to Section 15 of the Local Government Act of 1888—that expressly says, does it not, that the Borough Funds Act shall not apply to the County Council so as to enable them to promote Bills in Parliament. Is not that so? I have the Act here if you have any doubt about it, but possibly the Committee would wish I should not go into this, as it is a question of law.

Chairman.] Certainly.

Lord *Robert Cecil.*] The only reason I went into it was in consequence of the observation of Mr. Harrison's about the Borough Funds Act.

Chairman.] It is rather a question of argument, I think.

Witness.] Perhaps I can help the matter, as a question of fact, in this way, by explaining to Lord Robert that his own County Council have introduced Bills into Parliament and passed them into Acts since the passing of the Local Government Act. It may have been a very improper proceeding, but they have done it and Parliament has recognised it, and I think they can do it again.

2441. I daresay that may be so, if you can do it without being found out, but if you are found out you may be stopped.

Chairman.] The Committee think this is rather a question for argument.

Lord *Robert Cecil.*

2442. Very well, sir. (To the *Witness.*) Assume for the moment, if you will, I am right, and there is no escape possible for county councils under this Bill from the provisions which enable the London County Council to become the water authority for the outside districts; I ask you to assume that?—I will; but I do not agree with the assumption at all.

2443. Of course you do not, but assume that; is it not the fact that in every instance in which a municipal authority supplies outside districts, it supplies them at a higher rate than it supplies the consumers inside the municipality. You gave evidence in 1891 upon the subject, I think, or I should not have asked you?—You are asking me a question on all the various Acts of Parliament which all the local authorities throughout the country have had passed.

2444. Can you give me a single instance to the contrary?—I should say there are instances both

Lord *Robert Cecil*—continued.

ways; in some cases the rate charged is the same; in some cases it is higher in different parts of the district than it is in others; it depends upon local considerations.

2445. If you tell me you do not know, I will not press it; but is it not the fact that it is higher in Glasgow, in Manchester, in Oldham, in Barnsley, in Bolton, Sheffield, Huddersfield, Cardiff, Blackburn, and a great number of other places?—I am more or less familiar with all of those cases, but I could not answer the question in a general way; each case would require carefully looking into.

2446. That being so, I have only to ask you one further question. There is no proposal made by the London County Council that the outside authorities should be represented on the water authority, which is to have the control of these districts beyond the limits of the county of London, is there?—No, that is the point which was thrashed out in 1891.

2447. I only ask you whether there is any such proposal in this Bill?—No.

2448. And that, I understand, the County Council do not suggest as a possible alternative for the present proposal?—No.

Cross-examined by Mr. *Lewis Coward.*

2449. I wish to ask you one or two questions on behalf of the Surrey County Council. There was, as we all know, a Report of the Local Government Board, on the 30th April 1895. That is before the Committee, I think?—Yes, that is so.

2450. Since that Report I believe there has also been correspondence, has there not, between the Surrey County Council and the Local Government Board, with which you are acquainted?—I am acquainted with it in this sense, that the chairman of the Surrey County Council has given me the correspondence, and a copy of it has been sent to me from the Local Government Board.

2451. I do not want to read the letter *in extenso* (I will hand it in to be placed upon the Notes), but I wish to draw your attention to the letter of 24th May from the Local Government Board, and read this passage from it: "The Board understood from the letter of the County Council that the district councils agree in the course which the County Council are taking in the matter, that the County Council are acting solely in the interests of the local authorities affected, that there is no desire on the part of the County Council to become a water authority themselves, nor in any way to override the district councils, who have the statutory right to be the water authorities for their own districts, and that they have no intention to make any proposal which could involve any charge on the general county rate, except in respect of the present proceedings in Parliament. The Board further observe that it is proposed to leave open for the future decision of Parliament the question as to the manner in which the parts of the undertakings purchased by the County Council under the Bills are ultimately to be dealt with. Under these circumstances, the Board do not desire to raise any objection to the policy which the County Council are pursuing with respect to the Bills in question." So that that is in accordance, I see, with the view you have expressed to my learned friend, Lord Robert Cecil?—Yes; there is one paragraph in the letter of Sir Richard Wyatt to the Local Government Board which is perhaps worth referring to. The County Council, of course, point out that their legal position is doubtful, but they say this: "Since the establishment of county councils it is clearly their privilege and duty to do anything in their power for the general interests of the local authorities within their borders." It was on that view that the Surrey County Council acted, and it was that view which was endorsed by the whole of the local authorities in the Surrey district, and it is that view which the Local Government Board endorsed in their letter of 24th May. (*The Correspondence was handed in.* See *Appendix.*)

Mr. *Lewis Coward*—continued.

Re-examined by Mr. *Balfour Browne.*

2452. I will deal first with the matters which have been dealt with to-day. First, as to county councils. I believe when the Act was first introduced county councils were not allowed to appear against Water Bills, and were allowed no *locus standi*?—Do you mean the Act of 1888?

2453. Yes. Are you aware that a Standing Order was passed giving them the express right to appear upon Water Bills?—Yes.

2454. As to a higher price being charged outside, if you buy the whole of these undertakings, the administrative county of London becomes responsible for the whole of the purchase-money?—Yes.

2455. The outside districts would still be entitled to get water, but would be responsible for none of the debt?—That would be so.

2456. Under those circumstances, is there, in your view, a ground for a differential rate between the inside and the outside?—I have always thought so in the various cases which have been before Parliament before, and it seems to me to be so here.

2457. I do not know whether you know it was fought out last year in the Neath case, where a differential rate was allowed until the whole debt was paid off, when the rates were to be equalised?—I recollect something about that case.

2458. Now, as to the clauses my friend asked you about. I do not want to go into them, because we are on preamble, which I think is mixed up with Clause 6. Will you be willing to listen to any suggestion upon any of the clauses to make them any better or juster?—Yes; I wish very much, without any prejudice to their general opposition to the preamble, Mr. Hollams and his friends would let me have any amendments on the clauses which are thought desirable, and I am sure if they are reasonable they will be accepted by the London County Council.

2459. Suppose the winding-up of a company is an expense, as you admit, it seems fair enough that that expense should be borne by you?—I think so.

2460. And if a clause is submitted to that effect,

Mr. *Balfour Browne*—continued.

effect, I daresay you will give it your best consideration?—I have not the least doubt that it would be considered by the Parliamentary Committee of the Council.

2461. There was a matter in my mind of a somewhat similar nature, and questions were asked about it yesterday. Supposing there is an expense put upon these people in re-investing their money (I do not know what the cost of re-investment would be, it varies, of course, but is that a matter which ought fairly to be considered, even if it is not in Clause 6; should you pay them the money for the re-investment; do you consider that is a fair matter to be considered?—Quite, certainly.

2462. For re-investment?—Certainly.

2463. I take it that when you knock out the 10 per cent. for compulsory sale, you do not intend to say that the County Council would not listen to a suggestion that an amount might be allowed for re-investment?—I thought that particular point might have been covered by the Bill as it stands.

2464. If it is not we will make it so?—I think that it is clear that if the shareholder is to be put to any expense in the way of cost in re-investment, in one way or other, that should certainly be secured to him.

2465. Now, as to another matter of clause. My learned friend has taken exception to the Contract Clause, namely, the clause forbidding contracts since a certain date. If the contracts are proper ones, such as the one suggested of 150,000*l.* for new works, do you not think the County Council ought to have the power of adopting such contracts?—Yes.

2466. And if the clause does not give you power we will make it give you the power?—Certainly; you see it is only an extension of the clause which is in every other Transfer Act practically. It other cases it applies as between the date of the Act and the actual transfer, and here we propose to extend it somewhat backward because of the publicity which is given to all the proceedings of the Council.

2467. As I understand, when the notice that you were going to promote Bills for this purchase came out, these people might have entered into improper contracts?—Yes.

2468. If they had done so, and there had not been such a clause, you might have been compelled to take all these improper contracts?—Yes.

2469. They have not done so, so far as you know, and therefore, as you say, the clause has served its turn?—I am not at the moment certain about the date of 1st July 1894, but I believe that date was adopted because it was on that day that there appeared in public (as the proceedings of the Council are public) the notice of the intention of the Council to proceed with these Bills.

2470. As for its being unprecedented, that is not so, because I find that in the Northwich Bill Clause 3 of Section 18 says, "The Limited Company shall not, without the previous consent in writing of the Local Board, enter into any new liability, contract, agreement, or other obligation except such as may be in the ordinary course of the proper conduct of the water undertaking and except in cases of emergency, and the arbitrators and umpire shall not take into account any new liability, contract, agreement, or other obligation, except as aforesaid, which may have been incurred since the twenty-seventh day of March, one thousand eight hundred and eighty-five." That was the date of the introduction of the Bill?—Yes, I think it is a usual clause, and a necessary and proper one, subject to any suggestions for its modifications such as Mr. Pember made just now.

2471. As to the debenture stock, I think Mr. Littler admitted that Clause 17 met his point, so I will not ask anything more about that. As to transfer before payment, are you aware that every public company under the Land Clauses Act has a right to take possession under Sections 84 and 85, if they give a bond to deposit the money in Chancery?—That is so.

2472. Therefore the whole object of that is, that the person who is parting with his land should be absolutely secure of his purchase-money?—Yes.

2473. Do you think that the clauses in this Bill make the sellers of these undertakings absolutely secure?—I think they do; they were intended to do so.

2474. Is that the intention?—That is the intention; if it is not carried out it shall be carried out.

2475. As my friend Mr. Freeman reminds me, there is a precedent in the Hackney Commons case for transfer before purchase. That was a Bill you yourself introduced, so I daresay you are familiar with it?—Yes, of course, I ought to have recollected that; that was not at all a dissimilar case. There were very great complications of title and of rights, and claims and one thing and another in the Hackney Commons case. The Council bought the Hackney Commons, and they were transferred absolutely as from a given date to and vested in the London County Council; or I am not sure whether it was the Council or the Metropolitan Board of Works, which is immaterial. Then a machinery was provided, under which an arbitrator subsequently held an inquiry and listened to everything there was to be said, and arrived at some conclusion as to how the purchase-money should be paid and divided.

2476. As to the debenture stock, as I understand, you are willing to make the debenture holders absolutely secure in any way that is agreeable to the companies?—Yes; but you see there is this, which is a real difficulty in the case, and which we must regard. Of course, at present the debenture stock of each of these companies is a charge simply upon the margin of revenue of that particular company after paying its working expenses. Now, you see how largely these companies differ, or, at all events, you see the position of the Southwark and Vauxhall and the Lambeth Water Companies, and the position of some others, as has been indicated. It is quite clear, therefore, there may be a very great difference in the value of the security of the debenture stock holders of these different companies. If you were to transfer all the debenture

Mr. *Balfour Browne*—continued.

stock on to the rates of London, it would give even to the best debenture stock a higher value than it now possesses, and it would give to the inferior debenture stocks an equal value, and one which, as compared with others, it would be very unfair that they should possess. It is a real difficulty, and, of course, if the companies would take the purchase-money for the whole undertaking, and divide it between themselves and their debenture stock holders, I take it that that would meet the views of the Council. But the Council thought it would be necessary to secure, at all events, the interests of the debenture stock holders, and the clause is so framed to secure to the debenture stock holders of each undertaking the charge upon the rates derivable from the area of that particular undertaking. I have several times over endeavoured to get anybody representing the debenture stock holders to meet me and discuss that point; but I really think there is nothing whatever in it.

2477. As I understand, the attitude of the Council is this, if the companies will take the money and deal with their own debenture holders, the Council is prepared to hand it over?—Yes, the Council thought they could hardly coerce the debenture stock holders into taking a sum in cash instead of debenture stock. The Council considers it has got to pay the value of this concern, and the value of it is a value subject to the charge of the debenture stock. If the companies will keep their debenture stock and settle with their own creditors, of course they can do so in their own way.

Mr. *Pember.*

2478. I think the witness must have forgotten Clause 11. It distinctly says that after three months' notice in writing to the holders the Council have the option of cancelling the debenture stock. He has just now said he felt they ought not to force the holders to take cash in lieu of the stock?—Not at anything less than the present market value.

2479. You did not say that?—That is a question which may be open to consideration on clauses, but of course it is obvious this undertaking has only a certain value.

Chairman.] I think we understand the Council pledges itself to do what is fair in the matter, and we had better discuss it on clauses.

Mr. *Balfour Browne.*

2480. Very well, sir. (To the *Witness.*) With regard to the 60 years or 30 years in which you may be allowed to pay off the debt contracted in paying these companies, that does not affect them much?—No, I do not see it has anything to do with them.

2481. As I understand, you believe (as in the case of other water companies), if you take over these sources of supply, and have to abandon them and go to Wales, still the Local Government Board will allow you to have 60 years to pay them off?—As a matter of fact, the Local Government Board is not concerned in the matter; it is between ourselves and Parliament. Of course we hoped that the companies would

Mr. *Balfour Browne*—continued.

consent to our Bill, for this reason, that the passing of that Bill, which they have now blocked, would facilitate the raising of the money to pay them, but they do not seem to look at it in that point of view; they are endeavouring to defeat the general scheme by stopping that point of view; they are endeavouring to defeat the general scheme by stopping that part of it.

2482. My learned friend Mr. Littler also asked you about the market value of the stock of these companies. Here is a diagram which is about the most interesting thing I have seen in the case, which shows in one line the market price of the stock, it also shows the dividend, and while dividends have practically remained stationary, the market price of the stock varies according to various circumstances?—Yes.

2483. First it was very low upon Mr. Cross's speech in 1879?—Yes, you will see a very significant alteration then.

2484. Then in October of that year it goes up, and in March 1880 it is up almost to the top of the Himalayas, because an agreement is come to with Mr. Smith. It then goes down very much on the Report of the Select Committee presided over by Sir William Harcourt; it fluctuates very considerably, but on the 30th November 1883, on the decision of Dobbs' case in the House of Lords, it goes down to the lowest point, I think, except that upon Mr. Cross's speech. Again, it goes up steadily and reaches a very high point, but begins to go down when Sir John Lubbock's letter was sent to the Government asking for the appointment of a Royal Commission. On the appointment of the Royal Commission the price is very low; when the Royal Commission inquiry is being held it goes up; on the Royal Commission Report being made it goes up again, and it goes up to the very highest point it has yet reached until the County Council Bills were given notice of in 1894, when it begins to descend again. Will you hand that to the Chairman and let him see it?—Yes.

2485. That shows that the market price does not really depend upon the dividends which are shown by the black line right across. The red line you need not bother with, because that is only the price of consols, but it does fluctuate very largely by considerations of new sources of supply and other matters, and if the people who buy the stock consider these matters, do you think the arbitrator should be made to consider them too?—Yes. You must not make me responsible for this diagram; I have not had an opportunity of checking it; it can be proved if necessary, but, speaking generally, I can tell you this: if you watch what has happened with regard to this stock, you will see indications that a great quantity of it was purchased in 1880 in the hope that a large profit might be made on that purchase in consequence of Mr. Smith's agreements, and you will see it is curious that the position of the matter has fluctuated from time to time in accordance with the indications of Parliamentary policy, showing, I think, that the market value is not by any means a fair criterion of the real value of these companies' undertakings.

2486. That disposes of all the questions which

Mr. *Balfour Browne*—continued.

which have been asked to-day, and I will come to some questions which were asked you by Mr. Bidder.

Mr. *Pember.*] May we have a look at that diagram, because we should like to check it, as a matter of fact, from time to time.

Mr. *Balfour Browne.*] I think you will find it correct.

Mr. *Pember.*] I have not the slightest doubt that market value is altered by the fear of confiscation, and matters of that kind. Of course the price of a stock varies according as people think their investments are going to be left alone or not.

Mr. *Balfour Browne.*] Mr. Bidder says that the London County Council are quite satisfied with the Royal Commission Report. He put that to you yesterday or the day before. Will you explain the attitude the County Council take in reference to that matter?

Mr. *Pember.*] Which company does this diagram refer to?

Mr. *Balfour Browne.*

2487. To the Lambeth Company. (To the *Witness.*) Will you explain the attitude of the County Council?—As a matter of fact the views of the County Council in regard to that matter are set out very clearly in that report of the water committee of the 1st February, which was approved by the Council, and is on the notes, and indicates exactly the view which the water committee and the London County Council have taken of the report of the Royal Commission. Mr. Bidder rather put it into my mouth that the London County Council were dissatisfied with it. Of course they are thoroughly satisfied with it in this sense, that the information contained in it is most valuable, and the evidence is most important, and the recommendations in it are entitled to very great respect. But the extent to which they differ from what they think is indicated as conclusions of the Royal Commission and what they think about the matter is set out in the words of the council in the report of the water committee on the 1st February, which is already on the notes.

2488. And one of the things which has been deprecated all along was the limitation of the inquiry merely to the Thames and Lea Valleys, is not that so?—I would rather put it that the Council admit and say that the real ultimate solution of the water question was neither within the scope of the inquiry of the Royal Commission, nor was it dealt with by the Royal Commission. The Royal Commission reported on the reference which was made to them, and it is on their report, and the conclusions drawn from it, that the water committee of the Council came to this resolution; so I do not want my words to imply that the London County Council were more satisfied with the report than appears upon their own documents.

2489. Also in 1893 did the Council apply for a Bill with regard to general probable sources of supply?—Yes, they did.

2490. What was the object of that measure? I think that was immediately after the report of the Royal Commission. I know that Sir John Lubbock took a great deal of personal interest in the matter, and urged the importance of the Council proceeding without any delay to obtain such powers as it could, in the time, to acquire some new source of water supply for London, and the Committee and the Council resolved then to introduce the best Bill which they could in the circumstances. There was no time to do more than suggest that the London County Council should have some general powers of entering into agreements with the owners of water-bearing areas for the purchase of such water-bearing area, as a matter of preservation for London, and generally for the protection of London. That Bill had to be abandoned; of course the whole scheme of it was necessarily very incomplete, and it was withdrawn.

2491. But it did show that the County Council was contemplating new sources of supply?—Yes.

2492. Was the opposition to the Birmingham Bill of 1892 on a similar basis?—That originated from a similar apprehension on the part of those members of the London County Council who have always been of opinion that a new source of supply was imperatively necessary. It was thought necessary in that case on behalf of the Council, and the Council resolved to oppose the scheme of Birmingham, forgetting their great water supply from the rivers Elan and Claerwen. It seemed a long way off, but we were in this difficulty, that we had no Parliamentary status as a water authority at all, and I think our case was an exceedingly weak one, and Parliament so regarded it, but it indicates very clearly the view of the whole of the Council as to the importance and necessity of looking out on the part of London for a new source of supply quite outside the Thames watershed.

2493. Under these circumstances do you think it right the arbitrator should have regard to the possibility of new sources when he makes his award upon the value of these companies?—I think so, certainly; and, of course, we shall have to trouble the Committee with evidence upon that point later, and perhaps, therefore, I need not anticipate it. But there are many indications from which it seems to me perfectly clear to the effect that resort to some new source of supply outside the Thames is really practically immediately necessary, or at least, desirable.

2494. Something was asked by Mr. Bidder about the amalgamation of the Lambeth with the Southwark and Vauxhall Companies?—Yes; Mr. Bidder referred me to an opinion expressed by the Committee of 1852, after they had passed the Southwark and Vauxhall Bill of that year.

2495. When was the proposed amalgamation?—There never was any proposed amalgamation at that time, but the Committee pointed out what must be obvious to everybody, that some form of combination of the Southwark and Vauxhall and the Lambeth water areas would result in economy in the use of water, and might be desirable, and they suggested that the two companies should consider the matter. Of course, that was one way in which the thing might have been dealt with ultimately. It was based upon what was really the foundation of this Bill, the

Mr. *Balfour Browne*—continued.

desirability of consolidating the water undertakings of these two companies, but, of course, if any Bill for that amalgamation had been introduced, that would have happened which did happen when a Bill was introduced in 1883, it would have been said at once that, as a necessary and ordinary condition of amalgamation, the charges of the amalgamating companies must be reduced to the level of the lower of the two amalgamating companies. That might have gone some way towards settling this question. When the proposal for amalgamation was introduced, it was met with so determined an opposition, unless there was a complete reduction of rates, that it had to be abandoned. I do not think, indeed, the Lambeth Company would have agreed to surrender their high powers to charge.

2496. Mr. Bidder says, "The suggestion of the County Council is that the companies gave pledges in 1852 that they would not charge up to their maximum." He says, "You have also been in Parliament repeatedly opposing the companies' Bills, yet you have never drawn the attention of Parliament to that fact." What do you say in answer to that?—I do not think he attaches sufficient importance to the history of London in this matter. Of course, we go so fast that to a great extent it is really not fully understood. It has never been possible for London to deal with that matter until the present time. The Committee will remember that previous to 1855, and, indeed, previous to 1888, there was no such thing as London at all recognised on the statutes. In 1855 what was called the Metropolis was created for the purpose of main drainage only, by the Metropolis Management Act of that year. That consisted of the City of London, a portion of the County of Middlesex, a portion of the County of Surrey, and a portion of the County of Kent. But that only existed for the purpose of main drainage, it had no statutory existence for any other purposes, and it was only in 1888 that the area which had been made the Metropolis for the purposes of the Act of 1855 became the County of London, as indicated by the dark line on those maps. But, even then, though London got to a certain extent municipal representation, the municipal authority had no power to deal with this waterworks question. We were struggling and struggling to get the powers, but we were opposed by the Companies, and it was not until 1892 that there was any legal body which could have dealt with this question; therefore it is not the least surprising that the people of London have had to submit to this large charge, notwithstanding the undertakings of 1852, over so long a period of years.

2497. If we are right that Parliament did give them the powers, relying on these pledges, then do you think it is a matter which should be considered?—Certainly.

2498. If, on the other hand, they can prove there were no such pledges, and that Parliament gave them the maximum powers with the full intention of their charging them, then the arbitrator will consider that?—I think that is one of the points which it is most essential the arbitrator should quite clearly have regard to. He may think we have not made out our case about the pledge, and if not, I suppose he will award accordingly.

Mr. *Balfour Browne*—continued.

2499. My learned friend drew your attention to the Preamble in the Southwark and Vauxhall Bill, and he said that was to cut down the charges before you submitted them to the arbitrator at all, "And whereas the Southwark and Vauxhall Company have exhausted the powers of drawing water from the Thames conferred on them by Parliament, and cannot legally and efficiently supply the requirements of their district, and have charged and are charging the consumers of water in their district rates for the supply of water drawn by the Southwark and Vauxhall Company from the river Thames in excess of their legal powers." That means they are charging for water drawn from the Thames in excess of their legal powers?—Yes. I did not quite finish my answer to Mr. Bidder at the time, but the allegation is distinct. It is an allegation that the Southwark and Vauxhall Company have exhausted the powers of drawing water from the Thames conferred on them by Act of Parliament.

2500. I want to be particularly careful about that. If they think that is a direction to the arbitrator to find in one particular way, are you willing to put in "and whereas it is contended by the County Council."

Mr. *Bidder.*] Now it is found out I have no doubt you are.

Mr. *Balfour Browne.*] Are you willing to do that.

Witness.] I think that would be reasonable, having regard to the course which we have now taken in this case. If we had decided to proceed elaborately to prove the absolute necessity of a compulsory transfer we should have produced evidence to prove that particular fact, that the Southwark Company are taking more water than they are entitled to, which does not belong to them, that they are selling at, that the sale of it makes up their income, and that in those circumstances their income, such as it is, ought not to be taken as a starting point for the assessment of the purchase money. I do not know what value an arbitrator may give to the thing at all, of course, but we contend that the Southwark and Vauxhall Company are making their income by selling that which they have no right to sell or take at all, and therefore their charges are illegal wholly or in part.

2501. Now, with regard to the ordinary clause, the Ambleside clause, which Mr. Bidder put, have you looked over the Acts of Parliament and found that the clauses differ considerably in different Acts?—For this purpose, I did not go beyond the clauses which Mr. Bidder himself produced in the Committee Room.

2502. First of all, as regards the Ambleside matter: that matter was fought out on its own merits in the other House recently?—Yes, that was so.

2503. Although I happened to be counsel in that case, and Mr. Bidder was on the other side, I will not say that was not a perfectly right decision; but do you know that Lord Hampden, who was Chairman of that Committee, happened to be a director of the Lambeth Company——

Mr.

Mr. *Bidder.*] I must protest.

Mr. *Balfour Browne.*] You may protest as much as you like, but it is the fact.

Chairman.] I do not think it will have much effect on the Committee.

Mr. *Balfour Browne.*] I am not going to say that that was not a perfectly proper decision; it was; but I cannot allow a director of the Lambeth Company to make a precedent which is to rule you here.

Chairman.] We have nothing to do with that at all.

Mr. *Balfour Browne.*

2504. Very well, sir; the next matter I will go to is the Northwich clause. (To the *Witness.*) The ordinary rule under the Lands Clauses Act is that you are to purchase an undertaking at its value to the owner?—Yes, that is clear, I think, under the Lands Clauses Act.

2505. Under the Northwich clause the undertaking was to be purchased, not at the value to the owner, but at the value to the purchaser. Is that a departure from the Lands Clauses Act altogether?—Yes. That, of course, is a complete reversal of the ordinary principle of purchase under the Lands Clauses Act.

2506. And, as I understand, we use that as a precedent to say that when a case is shown for it Parliament will depart from the ordinary principle of the Lands Clauses Act, and give a direction which is justified by the case before it?—Yes, that is an authority.

Mr. *Pember.*] Before you leave the Northwich case, I think it would be only fair if you told the Committee, first of all, that the Northwich Company were not a statutory company under Act of Parliament, and, secondly, that the Local Board which was going to buy them were supplying water in the competition with them in the district at the time, and that they had no rates whatever.

Chairman.] I understand Mr. Balfour Browne to concede that there were special circumstances?

Mr. *Balfour Browne.*] Certainly, there were special circumstances in that case, which were almost identical with this particular case.

Mr. *Bidder.*] Really, Mr. Browne, that statement is absolutely contrary to the fact——

Mr. *Balfour Browne.*] Of which you know nothing, and I happened to be in the Bill. The Preamble will not tell you the facts. Mr. Bidder, I am re-examining.

Mr. *Bidder.*] I do not wish to argue with Mr. Balfour Browne; but I ask permission to read one paragraph of the Preamble of the Act.

Mr. *Balfour Browne.*] I prefer not; I should prefer the whole to be read, not one paragraph.

Mr. *Bidder.*] You can inflict the rest on the Committee if you like; but I prefer to read one paragraph.

Chairman.] Is not this rather a question for argument by-and-by.

Mr. *Balfour Browne.*] It is, sir.

Witness.] I only refer to part of the Act of Parliament. I do not know the particular circumstances of the Northwich case, but I know there is a case there where Parliament did authorise a purchase on principles exactly the reverse of those which prevail under the Lands Clauses Act.

2507. I want to ask you a question on Clause 6 of the Lambeth Bill. Just run over it and say what, in your view, are the things which an arbitrator now has to consider without a special direction. As I gather from his cross-examination, Mr. Bidder suggested there was practically nothing, and I want you to point out what, in your view, he could not consider without a special instruction?—I do not know that I can say more as to my view on that subject. The first paragraph refers to the condition and state of repair. "The condition and state of repair of the reservoirs, filter beds, filtration arrangements, wells, mains, conduit pipes, machinery, and plant of the Lambeth Company, and the probability of future expenditure thereon, together with any liabilities or obligations in connection with their undertaking which the Lambeth Company may reasonably be required or expected to incur."

Chairman.

2508. Were you not asked at Question 1748, "Under those circumstances, in your view, is every one of those instructions absolutely necessary?" And you reply, "I think they are all necessary"?—Yes.

Mr. *Balfour Browne.*] Certainly, under the circumstances they are all necessary. If there were no instruction at all, some of them, no doubt, might be considered by an arbitrator, but as there is a necessary instruction about new sources of supply which he could not consider, then every one becomes necessary; that is the view you take?

Mr. *Bidder.*] No, no; might I point out that in re examination my learned friend is not entitled to do this.

Chairman.] I think it is scarcely open to put this; the answer stands for itself.

Mr. *Balfour Browne.*] I do ask this, if there is anything he could not consider in Mr. Cripps' view, that is a legitimate question.

Mr. *Bidder.*] In cross-examination, I asked that very question. The Committee will recollect a series of questions asking him to point out what amongst the things in that clause he contended the arbitrator was not entitled to consider without instruction, and he gave every one, he indicated one or two, and expressed his views, and I asked him, Is there any other, and he said you may take it everything else. My friend cannot re-examine him, and make him say something different.

Witness.] I do not want to say anything different at all. I adhere to the opinion I have expressed before (of course it will be for the Committee to decide as to its value), that every one of these directions to the arbitrator is necessary in the sense which I think I have already

fully explained. I think the arbitrator should entertain the consideration of them and see what value he can fairly attach to them.

Mr. *Balfour Browne.*

2509. I find the cross-examination to which Mr. Bidder refers on page 283, where he apparently contends that the arbitrator would consider every one of these things. If he is right, does the clause do the companies any harm?—That, of course, is a perfectly fair observation. Mr. Bidder did not tell us what his own contention was as to whether the arbitrator could consider them all, or whether he could not. I think he drew a distinction.

2510. He put it in the form of a question. I do not agree with him, but if he is right that the arbitrator can consider every one, then the companies are in no worse position by means of this instruction?—Unless they wish to exclude him from considering something which they here admit he ought to consider, or that they say he could consider.

2511. Something was said about back dividends. Do you know that in the Birmingham purchase, 7½ years back, dividends were allowed?—I do not recollect the exact figure, but I know the question of back dividends was considered in the Birmingham case, and there was a certain allowance made in respect of it. All the particulars are set out in the Appendix to the Report of the Committee of 1880.

2512. Supposing an arbitrator is instructed, as this clause does instruct him, to consider the legality of the charge, then he will be bound to do it?—Yes, to consider the question.

2513. Take it that no instruction were given at all, and an arbitrator was sitting. Supposing a County Council raises the question of legality, and the other side would say, or might say: "You cannot go into that." The arbitrator would then have to do one of two things; he might either suspend the proceedings and state a special case for the opinion of a superior Court, or he might go on to the end of the inquiry rejecting the evidence; do you follow me?—Yes.

2514. If he stated a case there and then for the opinion of the superior Court, are you aware that, under the decisions, the Court of First Instance would be the final court?—I believe that is so; there is no appeal further.

2515. Just to take an illustration of the hardship of that, is it the fact that the County Council had a dispute with the tramway companies as to the meaning of the purchase section under which they acquired the tramways?—Yes; that, of course, raises somewhat similar questions, because there, there was a reference to the arbitrator to determine the price to be paid, subject to certain express directions which he was bound to have regard to under that section.

2516. And it is the fact, is it not, that the Court of First Instance, I think Mr. Justice Collins and another judge, decided against the contention of the County Council?—You mean on the award?

2517. Yes?—Yes. Ultimately, when it was decided on behalf of the Council not to take the preliminary question as to the right of the arbitrator to entertain the evidence, but to allow the arbitration to go on so that the whole matter

Mr. *Balfour Browne*—continued.

could be discussed on the award, then the discussion arose on the award itself, the arbitrator having awarded two different figures in this sense, that if he was bound to take into consideration certain evidence which he had rejected, the award would have been for a given figure, but inasmuch as he had based the amount in his award on the rejection of that evidence, he had awarded, in fact, a lower figure. The question in that form did and could come before the Courts to decide whether or not he was right in rejecting evidence, because it was clear that there were two awards. If he was right in rejecting the evidence, the figure was one sum; if he was wrong, it was another sum. A similar question arose in Edinburgh, and the two cases in that form went to the House of Lords.

2518. And the House of Lords decided that the Court of First Instance was wrong?—They did; they decided in favour of the Council, and that shows the peculiar difficulty of that case, because had the Council raised the question on the first issue, in which case the decision of the Court below would have been final, the result would have been exactly the contrary to that which the House of Lords decided was the proper view of the law.

2519. By saying that the arbitrator shall consider the matter, you get rid of the necessity of going to your Court of First Instance, which may be final on a matter of very great importance?—That would be one advantage, no doubt, of this method of procedure. It would be clear if we induced the Committee to think it right that the arbitrator should be bound for what it might be worth to entertain and consider the particular proposals which we seek to bring before it.

2520. In fact, we make it clear that he should do that which, according to Mr. Bidder, he would do?—Yes, without leaving it open to the companies to raise before the arbitrator the same kind of question that was raised in the other case.

2521. I think that is all I need ask?—I might say there is one point which Mr. Balfour Browne did not ask me; and I am not quite sure I may not have left a wrong impression on the notes about it. It is this: We, of course, attach considerable importance to directing the arbitrator to take into account the reasonableness of the companies' powers of charge, having regard to the circumstances in which they were granted. I am not quite sure that it is clear, but I have no doubt the Committee will have observed it, that the circumstances of these two companies differ in that respect, because whilst the Southwark and Vauxhall Company were before the Committee of 1852, and are therefore precluded by the pledge (if it is a pledge) then given, the Lambeth Company were only before that Committee in the sense that they succeeded in getting rejected the Government proposal for the reduction of these rates. Therefore, upon that matter, the circumstances which would have to be taken into consideration in deciding as to the reasonableness of the charges would rather differ in the case of the Southwark and Vauxhall Company from what they would in the case of the Lambeth Company.

2522. There

Chairman.

2522. There was one question which the Committee would like you to clear up. You gave some evidence as to what effect the Report of the Royal Commission on the Water Supply (Lord Balfour of Burleigh's Commission) might have upon the finding of the arbitrator; was it your intention that that Report of the Royal Commission would not naturally come before the arbitrator as part of the materials for his forming a judgment?—I do not think it would necessarily come before the arbitrator in this sense. The Royal Commission indicated that, in their opinion, certain of these companies were lamentably deficient in storage and filtration. The Royal Commission indicated a very strong opinion that something must be done at once to remedy that particular mischief. The Royal Commission further indicated very clearly their opinion that of the schemes presented to them for dealing with the future supply, the only one they could look at at all was Mr. Hunter's scheme; but it is clear, or, at all events, we submit that it is clear, on the Report of the Royal Commission that, first of all, some of the companies are lamentably deficient in their works at present, and secondly, all of them have ahead of them this liability to obtain some future source of water supply. Now, I do not think that unless the arbitrator were specially directed to consider that question he could deal with the fact that the Royal Commission had come to those findings, and if he could, I do not know whether he would be in a position to give any effect to whatever view he might entertain on the matter, unless he were empowered, because the companies, it seems to me, might contend, if they were so advised at the time, that the Royal Commission was not Parliament; that there had been no direction on the part of Parliament that they should ever do anything which the Royal Commission had suggested, and, moreover, that there was no necessity, and never would be any necessity, for their complying with any such recommendations.

2523. What we want to have cleared up as regards your view of the question is, assuming on the one hand the findings of the Royal Commission were brought before the arbitrator on the one hand to show that some additional arrangements were necessary in the way of reservoirs, and, perhaps, on the other hand, to show, in the judgment of the Royal Commission, it would not be necessary to go for a long time further afield to seek newer sources of supply than the existing ones; do you contend that unless he gets a special direction for the purpose, the arbitrator would be unable, if he thought fit, to take those matters into consideration?—I should hardly like to express a very confident opinion or view as to what might be the power of the arbitrator.

2524. Do you see any reason why he should not, if those matters were brought before him, and he thought they were germane to his inquiry, what is to prevent him?—I think what might prevent him would be this, that the companies would show and base their case upon this, that up to the present time they have received a certain income per annum.

2525. That is the same answer you gave previously; the general answer?—Yes.

Chairman—continued.

2526. The Committee would like you to say, if you can, in what sense is an allowance of 10 per cent. in case of compulsory purchase obligatory in such cases as these. Is the amount established by any Statute, or is it only the practice?—It has never been established by any Statute at all, but its existence as a custom has been so far recognised by Statute that in several, or at least in two, public Acts of Parliament which I have in my mind, where it was intended to make it quite clear that that custom should not apply, it was thought necessary to introduce an express provision that it should not apply. Those Statutes are the Housing of the Working Classes Act, and I rather think, the Parish Councils Act of last Session.

2527. Is the limit of 10 per cent. in figures referred to in those Statutes?—No, I do not suppose it is.

2528. It is only spoken of as an allowance generally?—Of course it is rather an interesting subject in its way, but I take it that the origin of the thing really is that under the Lands Clauses Act the value of lands had to be determined, and it is quite clear that there may be many cases in which the full and real value of the land, the market value of the property, is really no compensation to the owner for being turned out. You may have a small house, occupied by two old people, who wish to live there all the rest of their lives, and have associations connected with it. Well, it is no compensation to those people to give them the full market value, and there are other instances one might refer to, and I assume that a kindly minded arbitrator began by giving some additional allowance to cover a case of that sort, and by degrees it became more or less universal; an arbitrator having done it once, did it again, and began to make a rule of doing it. There is no provision it should be 10 per cent. Some arbitrators admit that they would give more than 10 per cent., and possibly some less, I do not know. But to make quite sure, I suppose that the landowners got enough; that was arranged. Would the Committee allow me to add that there can be no sentimental associations attached to the ownership of a share in one of these water companies.

Mr. *Pember.*] I do not think that is necessary.

Mr. *Balfour Browne.*] I have read the last words which fell from you last night. "What the Committee would like (of course we do not want to interfere with the discretion of Counsel) "would be to hear more evidence in support of the view that it is necessary to give special instructions in order to have these matters brought to the knowledge of the arbitrator." That, of course, is not really so much a question of evidence as of argument, although we have called evidence, but still we do desire to lay before you evidence, and I hope to be able to call before you to-morrow my friend, Mr. Fletcher Moulton, who has had large experience in these matters, and he will express his views.

Mr. *Pember.*] He is on the County Council, is he not?

Mr. *Balfour Browne.*] I do not know why that observation should be made; in the mean-

time, I am not in the witness box, and I am not being cross-examined. I propose to do that, but unfortunately his engagements prevent him being here to-day, and, in the meantime, I propose to put in the engineer, who will prove certain facts which are of importance to our case.

Chairman.] I suppose the examination of Mr. Fletcher Moulton will be confined to particular questions, and will not be of any very great length?

Mr. *Balfour Browne.*] I think not, sir.

Chairman.] Then do you propose to call any one else?

Mr. *Balfour Browne.*] Not upon that particular point, but I hope, before you decide anything upon that matter, to be allowed to argue the point; I claim, and so do my learned friends, Mr. Worsley Taylor and Mr. Freeman, who have had considerable experience in compensation cases, the right to point out our views on the necessity of this instruction.

Chairman.] As I have said before, I should be very slow to interfere with the discretion of Counsel in conducting the case, and what you suggest as to calling Mr. Fletcher Moulton as an expert in such matters to give his views, seems to me desirable, but when he has given his views it may be that the Committee would ask you then to let them hear what arguments you propose to put before them.

Mr. *Balfour Browne.*] Quite so, sir, I should be prepared at any time to put myself at the services of the Committee in that respect.

Mr. *Pember.*] I should be sorry to seem to be taking an objection in a vexatious way to a course suggested by the Committee, but I think I am entitled to observe, perhaps, that Mr. Balfour Browne has already opened his case and put his views before you, and I do not know that, according to any procedure with which I am acquainted, he is entitled to have another argument before his case is closed.

Chairman.] I will explain in a few words what the view taken by the Committee is. If we were to come to the conclusion that in our judgment, I do not say it is our judgment at all at present; but supposing we were to come to such a conclusion, that there is nothing to prevent all matters mentioned in Clause 6 of the Lambeth Bill being entertained by the arbitrator if he should see fit to so entertain them, and on those grounds should be disposed not to approve or sanction that part of Clause 6; of course, that would make a great difference in the proceedings of the remainder of our investigation.

Mr. *Pember.*] Of course it would.

Chairman.] And therefore, for the convenience of what must, at the best, be a lengthy inquiry, and a very expensive one, and with the view, if possible, of coming to some early decision on that question, and having it settled one way or the other by itself, I suggested the course with the concurrence of my colleagues on the Committee, which I did yesterday. I think it would be fair if there were an intimation at the end of Mr. Fletcher Moulton's examination, if the Committee come to any such decision, that in that case Mr. Browne might be heard on the other side.

Mr. *Pember.*] If you think it a question of fairness, I will not say a word further.

Chairman.] I think it would be, because it is a matter of very great importance.

Mr. *Pember.*] Although I think I should be right in saying Mr. Browne's case would be closed, yet if it is a question in the Committee's mind of what would be fair to him under the circumstances, I say no more.

Chairman.] Yes, I think it would be more satisfactory to all parties.

Mr. *Pember.*] The only thing I would now suggest is this. Much as I like to see Mr. Binnie's face in the witness chair, it seems to me quite clear that if Mr. Fletcher Moulton is to come here to-morrow morning Mr. Binnie would only be occupying the place of a stop-gap—occupying your time unnecessarily——

Mr. *Balfour Browne.*] Not at all. I think Mr. Binnie's evidence is a most important part of the case.

Chairman.] We will hear Mr. Binnie.

Mr. ALEXANDER RICHARDSON BINNIE, sworn; and Examined, as follows:

Mr. *Worsley Taylor.*

2529. YOU are a Civil Engineer, Member of the Council of the Institution of Civil Engineers, Fellow of the Geological Society?—I am.

2530. Are you chief engineer to the London County Council?—Yes.

2531. I think you have had considerable experience in the laying out, construction, and management of waterworks, both abroad and in the United Kingdom?—I have.

2532. Before you came to the Council, I think you were for 15 years engineer to the Bradford Corporation Waterworks?—I was,

2533. Turning more particularly to the question of the water supply of London, is it the fact that since the year 1860, when you assisted the late Mr. Bateman in preparing the scheme for the supply of London, which he laid before the Duke of Richmond's Commission in 1869, you have from time to time devoted considerable attention to the matter?—I have.

Mr. *Worsley Taylor*—continued.

2534. Since 1890, of course, you have had it more immediately in hand; that is, since the Committee of that year?—Yes, certainly.

2535. And you have had to consider the matter again for the purpose of the recent Royal Commission?—Yes.

2536. Have you endeavoured to point the evidence which you are going to give, more particularly to matters pertinent to Clause 6, of which

Mr. *Worsley Taylor*—continued.

which we have heard so much?—I have, especially since the Committee have begun to sit on the subject.

2537. Before dealing in detail with the works of these two companies, the Lambeth and Southwark and Vauxhall Companies, is it necessary in your view, for the purposes of that clause, to give some amount of consideration to the general question of the water supply of London?—I do. I think that the Committee should be informed of certain, what I may call, broad statistics on the whole case, so that I should be the better able to put before them my views on this particular case.

2538. In your view, are there certain general matters which have a bearing on the more detailed matters relating to these two companies, and particularly to Clause 6?—Yes.

2539. So that, in short, you are obliged to go a little further afield than at first sight might be apparently necessary?—Apparently so, on the first opening of the case.

2540. With regard to the point of view from which you look at Clause 6, do you deal with that mainly from the point of view of what would be the position of the companies as to their future monetary and other obligations, assuming that they are left as they are now; that is, without transfer?—I do; very largely in that way.

2541. Turning to the general view shortly, will you give such figures of areas as are necessary for the consideration of the matter; that is, areas of water supply, and so on?—The Committee will notice the administrative county of London, shown by that black margin on the larger map opposite to them. That contains 122 square miles, and of the City of London one square mile is contained within that area.

2542. That is what is very often called in these rooms "Greater London"?—Now I am coming to "Greater London"; I have just dealt with "Administrative London." "Greater London" is defined as the Metropolitan Police District, which includes all the parishes within 15 miles' radius of Charing Cross, and all the parishes of which any part is within 12 miles of Charing Cross; that is, the brown boundary upon the map. The area of that "Greater London" is 701 square miles.

2543. Does this map show, or do you give, the portion supplied, or within the limits of supply, of the eight water companies?—As shown in blue upon that map, we have the areas and Parliamentary districts of supply of the eight companies. The Committee will notice that some portions are within and some without Greater London. That area is an area of 620 square miles.

2544. Is that what you call "Water London"?—That is what we call "Water London." I am putting it in this form because these were the statistical figures which Lord Balfour's Commission adopted, and they will no doubt be continually referred to.

2545. What were those figures?—The figures of population were as follows: the administrative county of London contained a population of 4,232,000, Greater London a population of 5,633,332, and Water London a population of 5,237,062.

Mr. *Worsley Taylor*—continued.

2546. Apparently the two material figures there would be the 4,200,000 odd, and Water London 5,200,000 odd?—Yes.

2547. What was the view of that Royal Commission as to future water requirements for the population?—It will be found in paragraphs 69 and 70 of the Royal Commission Report, page 26, that they arrived at this conclusion: that in the year 1931 11,191,934 people would occupy Greater London and the outlying part of Water London, and would require a daily supply of 415,219,732 gallons of water per day. The gallons per day were based upon 35 gallons per head, which was the same amount as had been previously considered necessary by the Duke of Richmond's Commission in 1869. I perhaps might draw attention to the fact that in the last paragraph but one of the Royal Commission Report they quoted that quantity as 420,000,000 gallons, but the figure I have given is the exact one.

2548. I see that passage in the Report deals with the estimated population in 1931?—Yes.

2549. Will you explain why that date was taken?—The Royal Commission state in another part of their Report that they thought it was sufficient to look forward 40 years into the future.

2550. That is a matter upon which we shall have something to say presently, but I pass over it for the moment. Now, will you give the actual area of population at present supplied by the eight companies?—Yes. I have already told the Committee that the total Parliamentary area of the eight companies is 620 square miles. They appear to actually supply at the present time 350 square miles, of which 119¼ square miles are situated within and 230¾ without the county of London, the proportion therefore being in the ratio of 34 to 66; that is to say, 34 within and 66 without the county.

2551. So much for area. When you turn to population supply within and without, I think the ratios are very different?—Yes. I had better give the latest figures for 1894, as derived from the reports of the Water Examiner. The total population is 5,446,071, of which 4,356,858 are within the administrative county of London and 1,089,214 outside the county of London.

2552. Or a proportion of——?—About four to one.

2553. That is four in and one without?—That is four in and one without.

Mr. *Pember.*

2554. The proportion of the area and the proportion of population is about reversed?—My next answer would state it a little differently. Speaking roughly, we may say that two-thirds of the whole area of the various companies is situated outside the county and one-third within. When you speak of it in population you may say that four-fifths of it are within and one-fifth without.

Mr. *Worsley Taylor.*

2555. Can you give the total daily average quantity supplied by the eight companies?—In

Mr. *Worsley Taylor*—continued.

1894 it was 189,332,469 gallons, and in the previous year it was 191,976,384 gallons. So that when the Royal Commission suggested that the water supply of 1931 would be 415 odd millions, it is a great deal more than double the present water supply of the whole metropolis.

2556. I think there is one grouping of the companies which I think I may call a geographical grouping, which has a very material bearing on certain of the liabilities in the future?—There is undoubtedly.

2557. Will you describe how you divide them?—The eight companies may be divided as follows: 1st. The Kent Company, which obtains its supply entirely from wells, and supplies a district, and is situated on the south side of the river. That is the district on the map coloured yellow. 2nd. We have the Southwark and Vauxhall Company, the Lambeth Company, the Chelsea Company, the Grand Junction Company, and the West Middlesex Company, which obtain their supplies wholly from the Thames, the Southwark and Vauxhall and the Lambeth supplying the districts south of the Thames, while the Chelsea Grand Junction and West Middlesex Companies supply the districts north of the Thames.

2558. So that you may say these two companies, the Lambeth and the Southwark and Vauxhall Companies, with which we are now dealing, are part of what one may call the Thames group, and form the southern portion, and the other three the northern portion?—Yes; then there is a third group, comprising the New River Company, which derives its supply from the River Lea and certain springs and wells in the Lea Valley, and the East London, which also derives the principal portion of its supply from the Lea Valley, either directly from the river or from springs and wells, together with the power to draw 10,000,000 gallons a day from the River Thames.

2559. Can you give the total approximate population at present supplied by all the eight companies?—Yes; 5,479,000.

2560. I think this matter of the London Water Supply is one which you have had to deal with for a number of years and which you have found very complicated owing to the relations *inter se* of the various companies and the overlapping of districts, and so on?—It is very complicated; indeed, the more I look at it the more complicated I find it becomes.

2561. And I think you have had very carefully to do it, and from time to time have had to present reports to your council?—I have.

2562. And those reports, I suppose, you have before you?—I have. I have before me two reports of the 8th and 29th of October, 1890. The first one deals with the statistics of the companies from the time of the Duke of Richmond's Commission up to the then date. The report of the 29th October deals with the compensation water which Parliament under various Acts has thought fit to enact as necessary, and then I have a report of the 1st of September 1891, a report which has been pretty freely referred to in these rooms. This report deals with such matters as the areas of drainage, geology, rainfall, flow of the river, and the population, the abstraction of water, the

Mr. *Worsley Taylor*—continued.

pollution and the effect of pollution in many cases in other places. It is accompanied by a map (No. 1) showing the geology of the district, and a map (No. 2) which shows the sources of pollution in the Thames and Lea Valleys.

2563. So that, to bring it to a point, when this Bill was considered by the council they had all the engineering materials which you could place at their disposal before them?—They had; and from 1890 up to the present time I have been reporting very frequently, I may say, to the committee on various points of the case.

2564. Will you give a description of the districts of these two companies, and show how they are connected together and overlap in some parts, dealing first with the Lambeth Company?—I will deal with the Lambeth Company first. The Committee have my maps before them; they are reductions of those maps upon the wall, but they are much easier to follow than looking up. They are also placed on the hand screen behind. I will commence first with the Lambeth Company. Without going into any detailed history, we find the Parliamentary area set out in the 11th section of the Act of 1848; that is to say, the present Parliamentary area. I do not know whether the Committee would care for me to read over this list of parishes.

2565. I do not think you need do that?—They are shown on the map, and the 11th section of the Act of 1848 sets them out in detail.

2566. Where did they originally get their supply from?—The Thames, at Hungerford Bridge, without going into ancient history about London Bridge. That was subsequently removed up to Seething Wells.

2567. Were they removed again in 1871?—They were removed again in 1871 from Seething Wells to West Molesey; but the company still continues to draw water from the Thames at Seething Wells, and it is a matter which is referred to in the Report of the Local Government Board on their own Bill of this Session.

2568. Then in 1871 certain places were added?—Yes, West and East Molesey.

2569. And it is by that means that you get the area of supply which is shown on the cartoon?—Yes, the whole of the area tinted light red on the cartoon.

2570. With regard to their method of supply, first, of course, they have their intake at Molesey?—Yes.

2571. What, as a matter of fact, is their pumping power equivalent to?—They have reservoirs to contain 125,000,000 gallons, but I do not know exactly what their pumping power is.

2572. At that point do they also pump water from certain gravel beds?—Yes, immediately adjacent to the river bank.

2573. That is a matter which I think you will have to allude to later in your evidence?—Yes, if permitted to do so.

2574. I do not think we need go into a description, which I see you have here, of the way in which they bring it into London?—Roughly, from Molesey it is pumped to Ditton, where it is filtered, and then it passes on mainly by three lines of pipes to Brixton Hill, from which place it is distributed in detail over the district.

Mr. *Worsley Taylor*—continued.

2575. You said that their limits of supply are tinted light red on the cartoon?—Yes.

2576. Does the cartoon also show hatched the districts which they actually supply?—Yes, it does.

2577. To sum the matter up, will you give their area of supply and what they are supplying?—The Lambeth Company's total Parliamentary area is 104 square miles, 42 square miles of which are situated within, and 62 square miles without, the County of London. Of this total area their actual supply extends over about 55½ square miles, 23 square miles being situate within, and 32½ square miles outside, the County of London.

2578. Will you give the populations in like manner?—The populations are (taking the figures for 1894) within, 452,030; outside 166,935, a total of 618,965.

2579. Those proportions do not seem to differ very greatly from the general average. Now will you give corresponding information with regard to the Southwark and Vauxhall Company?—The first appear, as has been told, under their present name about 1845. Section 41 of the Act of 1852 defines their present Parliamentary area, the area coloured blue on the lower of the maps on the wall. Under an Act of 1884, section 5, their district was enlarged to a few places in the neighbourhood of Kew and Petersham. The company originally took their water from the Thames at London Bridge, but in 1845 it was removed to Battersea, and subsequently to Hampton, on the north side of the river above Molesey Weir.

2580. I do not know that we need describe their works, and so on, but will you give the areas?—Perhaps you will permit me to remark, because it is an important matter which will no doubt come before the Committee later on in cross-examination, that they obtained Acts in 1891 and 1894 to construct new reservoirs and filter beds.

2581. I left that out purposely, we shall have to come back to that. Now will you give the areas within and without?—The Parliamentary area coloured light blue (and I have to make an exception of Richmond for a reason which I will describe presently) will cover 50½ square miles, 39½ square miles being situated within, and 11 square miles (excluding Richmond again) without the County of London. Of that district, the part hatched in blue and actually supplied is about 27 square miles, 20 square miles being situated within, and seven square miles being situated without, the county.

2582. Then the population is what?—The population is, within, 757,351, and outside, 26,170; a total of 783,521.

2583. Now will you come to a matter which Mr. Cripps referred to in his evidence, but as to which he could not give the full engineering details, that is, certain overlapping of the powers of these two companies?—Briefly, you may state that the Southwark and Vauxhall Company's Parliamentary area of supply, with the exception of a little piece out towards Petersham, and a little piece out on the east end, is comprised within the district of the Lambeth

Mr. *Worsley Taylor*—continued.

Company, but there is a further complication. By an Act of 1806, renewed in 1852, the West Middlesex Company obtained powers over that district which is within the yellow line.

2584. Does that overlap both of the other companies?—It overlaps the Southwark and Vauxhall Company. It also overlaps a part of the district which I think is supplied by the Lambeth Company.

2585. Then I think there is a further complication in the case of both of them, is there not, with regard to certain overlapping of the Kent Company?—Yes, that occurs on the eastern side of the district; that is, under two Acts of George III., about 1809 and 1811.

2586. To what extent does Kent overlap first the Southwark and Vauxhall?—About seven and a-half square miles, and in the case of Lambeth about 10 square miles.

2587. As a matter of fact, is a portion of the Parliamentary areas of both the Southwark and Vauxhall and Lambeth Companies actually supplied by Kent?—It is; a small portion at the eastern end of the district; those parts which are dashed yellow on that map and the map above.

2588. To what extent?—Three and a-half or four square miles.

2589. Also, is there a further overlapping of a portion of the Lambeth district by the Croydon Corporation?—Yes, that is better shown on the map behind you.

2590. Will you explain about that?—The district of the Corporation of Croydon is the whole of that triangular piece running up to the boundary of the County of London. The Corporation, under an Act of 1884, I think it was, have power to supply within a radius of two miles from the Town-hall, but the Lambeth Company are actually supplying within that radius, and they are also supplying within the borough to the northward of that radius and between that radius and the county boundary which is coloured black on that map.

2591. Are Croydon supplying a new district, too, as a matter of fact?—Croydon is supplying within its own two miles of radius, I believe, in almost active competition with those two little pieces of the Lambeth pipes which come over that boundary line.

2592. Further, as a matter of fact, are the Southwark and Vauxhall, and Lambeth Companies, actually supplying any part of the areas which is common to two of them?—Yes, there is about 3½ square miles lying south and east of Westminster Bridge, shown in that checked form on the two maps, where, I believe, their pipes are laid in common through the streets. It is not exactly active competition, it is a kind of agreed thing, but there are duplicate pipes in the street.

2593. You mean that each have got their pipes?—Yes, they occupy the street in common, I should say.

2594. Is another matter which we shall have to consider presently as bearing upon this point, the circumstances connected with the flow of the

Mr. *Worsley Taylor*—continued.

Thames?—Yes, that is one of the most important points in the whole inquiry.

2595. And presently, of course, you will have to consider, with a view to Clause 6, what are these specific powers of the companies, either claimed or exercised, with regard to the draught of water from the Thames?—Yes.

2596. But before you state those, there are some facts which ought to be stated as to the character of the river in general, are there not?—Yes, the whole river down to Teddington Weir has a drainage area of a little over 3,500 square miles.

2597. Why do you say down to Teddington Weir?—Because immediately above Teddington Weir we have the water companies' intakes, and it is the point where as to figures to which we referred all through the Royal Commission Report as to quantity, and the like. In that drainage area is a population of over 1,000,000 persons, of whom 65 per cent. reside in 29 towns on the banks of the river, and I need not say, as was pointed out by the Royal Commission, that population is a rapidly increasing one.

2598. Those figures, I think, you have taken from the Royal Commission Report?—Yes, they are principally in paragraph 28, page 13.

2599. What is the character of the valley?—As everyone knows, it is a richly-manured and cultivated valley, it is a river for the most part navigable, and it is the resort of a large number of persons for pleasure.

2600. Bearing in mind the claim of the companies to increase their draught of water from the river, it is material to deal with the average flow of the river at that point—Teddington Weir, is it not?—It is.

2601. What is the average?—The average flow, as found by the Royal Commissioners, was 1,350 million gallons per day, but that varies between very wide limits indeed from 2,000 million gallons on one occasion, and falling as low as 252¼ million gallons on another occasion.

2602. Is it also material to consider the duration of the periods of a low flow?—It is.

2603. What do you find taking dry times?—I will put in a Table; Table A, if you please. Table A shows what we may call the natural flow of the river, that is the actual gauged flow at Teddington Weir, plus the quantity which the companies had previously extracted from it; and we find in 1884 that for five months, July to November, the flow of the river amounted to 417 million gallons a day. In 1885, for three months, July to September, the flow of the river was 393 million gallons a day. In 1887, for four months, July to October, the flow was 393 million gallons a day, and in 1893, for the six months, June to November, the flow of the river was 413 million gallons a day. If we average the flow of those four years we arrive at about 404 million gallons as a very fair estimate of the dry weather flow of the Thames. (*Table A handed in*, vide *Appendix*.)

Mr. *Bidder*.

2604. Why do you not take the same periods. You call it an average, but one period is five month, another four months, and another three months?—I am not answerable for the dryness of the season; I am trying to ascertain what is the dry weather flow of the river. I am not taking the average flow of the summer months, or anything else.

Mr. *Worsley Taylor*.

2605. If you are considering the possibility of water abstracted from the river, the dry time is the key to the position?—Of course, it is.

2606. You say that shows what one may call the average of a consecutive dry time?—Yes, you will have to be prepared, in laying out any works in the Thames Valley, for periods from three months to six months in duration, during which the flow of the river will vary between 393,000,000 gallons a day up to 413,000,000 gallons a day.

2607. Can you also show the minimum quantities?—Table B will show the Committee the minimum quantities. This table, perhaps, if the Committee will bear with me, requires a little explanation. It is for the years 1893–94. The whole quantity is stated in volume per 24 hours. In the right hand portion of the Table, under the head of 10th July, 21st August, 18th September, 9th July, 22nd August, 17th September, I am treating with the daily abstraction of water, and the daily flow of the river. In the right hand side of the Table I am dealing with the average flow of those particular months of July, August, and September, in those two years. I will only read one line so as to make it clear to the Committee: the first line on the 10th of July 1893, the actual flow of the river as measured at Teddington Weir was 177·3 million gallons a day; the natural flow was 287·7 million gallons. The abstraction by the companies was 110·4 million gallons, consequently the percentage of abstracted water to the natural flow was 38·4 per cent. But, if instead of confining ourselves to that individual 10th of July, we look at the whole month of July, we find that the natural flow of the river averaged during that month 395·4 million gallons a day, the abstraction being (I have only the average rate you will remember of the whole month in these cases, the water examiner not giving me the actual quantity per day) in column 8, 110·4 million gallons, so that the percentage of the total flow abstracted by the companies was 27·9 per cent. From this Table we see that occasionally the six companies draw as much as from 28½ per cent. to 44 per cent. of the total natural volume of the river. (*Table B handed in*, vide *Appendix*.)

2608. I see that at the head of that Table under the figures 1893 you have "volume per 24 hours in million gallons"?—Yes.

2609. As a matter of fact, are the companies limited in the quantities they may take by that period?—Yes. That is common, I may say, to all the companies. That is the quantity they are authorised to draw, whether by agreement or by Parliament, or anything else; it is in each case limited to a certain quantity per 24 hours.

2610. Is

Mr. *Worsley Taylor*—continued.

2610. Is the surplus water, after they have taken what they are entitled to, a matter which has been always one of the very greatest consideration to London?—Of course, it naturally must be; the whole health of London depends on the river which flows through it.

2611. So that the abstraction of water from the Thames has been a matter which has been very jealously watched for years?—It has.

2612. Having given the actual abstraction, will you come to the consideration of the powers of the companies to abstract the water?—If the Committee look at Table B *a*, I will not allude to it in detail; they will understand the matter better. (*Table B a. handed in*, vide *Appendix*.)

2613. It is a Table headed "Table showing daily quantities of water claimed or taken from the River Thames above Molesey by six of the eight Metropolitan Water Companies." I understand you to say that it is desirable the Committee should have that Table before them, in order to understand what you are going to say more clearly?—Yes.

Chairman.] I think, as we are entering upon a fresh Table, this will be a convenient point to adjourn.

Mr. *Worsley Taylor.*] If you please, Sir.

Chairman.] I understand Mr. Fletcher Moulton will be the first witness to-morrow?

Mr. *Worsley Taylor.*] Yes, Sir, if possible.

[Adjourned till To-morrow, at half-past Eleven o'clock.

Friday, 31st May 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

Mr. *Balfour Browne.*] I HAVE now here, Sir, my learned friend Mr. Fletcher Moulton; but if I were to be guided by my own discretion, endorsed by that of my learned friends with me, I should prefer very much to go on with Mr. Binnie; but, at the same time, as you indicated a desire to have Mr. Moulton's evidence this morning, I am quite prepared to call him now, if you wish it. I should have preferred very much to call him after Mr. Binnie, and it would be very convenient to him too; but he is here, and I do not want to have the least suspicion in your minds that we desire to keep him back for any purposes.

Chairman.] I think, for the reasons I stated last night, it would be the more convenient course. I do not understand you to say that it will put your case at a disadvantage.

Mr. *Balfour Browne.*] No, Sir; but I think the way I should have shaped my case would have been different; but, still, that I give up, and I will ask Mr. Moulton to take the chair.

Mr. JOHN FLETCHER MOULTON, Q.C., M.P., sworn; and Examined as follows:

Mr. *Balfour Browne.*

2614. I BELIEVE that to some extent this is extempore evidence. You have not had the time to read the whole of the proceedings before this Committee?—No, I am here rather because I was an Alderman of the County Council at the time this Bill was decided upon, and although I have neither the credit nor the responsibility of the drafting, still I gave a good deal of attention to it at the time.

2615. Which Bill have you got in your hand?—The Southwark and Vauxhall Bill.

2616. The Bills are practically the same, but the clauses are numbered differently. You shall have a Lambeth Bill. Have you read Clause 6, and have you had very considerable experience of arbitration, both under the general Acts and under special Acts of Parliament?—Yes, I have.

2617. First of all, I want you to go through the clause with the Committee, and to tell them your view as to the necessity in this particular case for these instructions to the arbitrator?—I think I could make my meaning clearest if I were to say in what light I regard these directions. I regard these directions as indications of what the Bill means by "the fair and reasonable value of the undertaking." The purchase, of course, is a purchase which will involve a very large amount of public money, and it is most important that the Bill should leave no ambiguity on what the meaning of those general words "fair and reasonable" is. I can understand that an arbitrator having nothing but those words to

Mr. *Balfour Browne*—continued.

guide him might be at a loss to know exactly what the price Parliament meant him to fix was, and I can imagine him taking an interpretation of those words which would leave him to fix a very different price to that which the London County Council asks to purchase the undertaking at. I will explain in a moment what I mean by that. I think that it is exceedingly important that this price should be left without ambiguity in the Act. An arbitrator seeing the words "fair and reasonable value of the undertaking" without any further instruction might perhaps imagine that that meant the sum total of what the shareholders and debenture holders could get for their stock in the market, a total price which, for the sake of simplicity, I will call the repute price; that is, the price depending simply on the repute of the undertaking. Now, the London County Council, as I understand, say that that would not be the fair and reasonable value which they ought to pay, and certainly that was my view strongly when I had to do with the drafting of this Bill. I can give the Committee an example. The shares of the tramway companies kept up their value very nearly right up to the end of the 21 years, which really was the limit of their concession. The public imagined that as they had been paying dividends they would pay dividends, and the repute value was, in my opinion, out of all proportion to the real value. I think, therefore, on the one hand, the London County Council are entitled to be protected from having

to

Mr. *Balfour Browne*—continued.

to pay a price due to the ignorance on the part of the public. I use those words "ignorance on the part of the public" in the sense that the public cannot follow all the legal difficulties and legal complexities that define the position of the undertaking. I am using it in no other sense than that.

2618. Then I understand that in your view the repute value of an undertaking may be very different and very much exaggerated and beyond the real and fair value?—It certainly might be, but I can imagine an arbitrator called upon to interpret the words "fair and reasonable value" might perhaps take the erroneous view that he was to take what I might call a fair and reasonable estimate of the market value of the shares and thus calculate it. Now I think the London County Council would not be doing their duty if they let the Act pass, if they could help it, in a form which would make it possible that so serious a mistake could be made, and I think that they are entitled to ask the Committee so to frame the clause that that mistake could not be made. That is not the price at which they ask the privilege of buying the undertaking. There are other dangers which I think they are entitled to ask the Committee to protect them from. The value of an undertaking of this kind, if measured by the actual sum obtained by the undertakers, may be partly due to what (without using intentionally any irritating phrase) I will call an abuse of their position. They may take a view of legal rights which is an erroneous one, and they may do it with a very considerable amount of safety. Seeing that they are dealing with a large number of people, and the sum that they obtain from each is comparatively small, they may well with impunity exact more than they should; or, on the other hand, they may render less services than they should. I am not in any way saying that that is so, or going into the facts of the case in order to establish such a proposition; but I say that that is the view of the members of the London County Council, and certainly it is a view so far shared by the whole Council that they consider that it would be right they should be entitled to put forward the grounds on which they hold those views. The return of a company then may be swollen by this excess of charge or deficiency in performance of duty, and, if I might use another phrase, just for the sake of simplicity, there might be a return which was due to the abuse of the undertaking, and there might be an abuse value even in the eyes of persons who knew anything, because they would say, "Well, the position of the company, and its impunity in the past, makes one feel that it will be able to continue a course of that kind in the future, and that really increases the return of the undertaking." Now, I think that the London County Council ask the Committee to say this: that the "fair and reasonable value" shall be taken on the hypothesis that it is in the hands of undertakers who to the full act up to their duties; first, in making only their legal charges; secondly, in performing all their legal duties; and, thirdly, in providing both at present and in the future for all legal responsibility. It might be difficult to express in language this fair and reasonable price that I have been describing. By far the best way to do it would be to indicate to the arbitrator the important heads of considerations which he is entitled to look to in considering the price; and I have looked through these various heads that he is directed to consider, and I do not think that there are any which are not legitimate when he is calculating a price on that principle. I further think that when you have indicated that these are proper and legitimate elements for him to consider, you have told him the sense in which you use the words "fair and reasonable value."

Mr. *Balfour Browne*—continued.

2619. I want to go through with you seriatim these things, but before doing so, I want to ask you this question. Without an instruction, as I understand you, an arbitrator left free merely to find the "fair and reasonable value" would probably take into consideration the reputed value, the abuse value, or might leave out of consideration altogether future responsibility.

Mr. *Pember.*] That is a strong leading question, and a most objectionable one.

Mr. *Balfour Browne.*] I have only summed up what Mr. Moulton has said.

Mr. *Pember.*] Then it was unnecessary.

Mr. *Bidder.*] It is not summing up what he said, because he did not say the arbitrator would probably do so; he said he conceived he might.

Mr. *Pember.*] I have not been in the habit in the course of this case of protesting so much, but I must ask that, at a moment so crucial as this, no leading questions should be put to the witness.

Chairman.] I am quite sure Mr. Balfour Browne will not do so. The only objection I have to your summing up is, Mr. Browne, that I am not quite sure it exactly covered the evidence as I caught it.

Mr. *Balfour Browne.*

2620. I think Mr. Moulton would repudiate it if it did not. I will not ask you a question, Mr. Moulton, at all. Go on with your evidence?—I think that without an indication of this kind no arbitrator would feel himself at liberty to fix the price consistently on the principle that I have defined as that at which we ask the price should be fixed; but I am sure that there would be an ambiguity and an absence of definition of the price at which the purchase is to be made which should not be allowed to exist in so important a matter.

2621. I will ask you a question on each of the heads. The clause runs: "In determining the fair and reasonable value of the undertaking the arbitrators shall, amongst other matters, have regard to the following (that is to say): The conditions and state of repair of the reservoirs, filter-beds, filtration arrangements, wells, mains, conduit pipes, machinery and plant of the Lambeth Company, and the probability of future expenditure thereon together with any liabilities or obligations in connection with their undertaking which the Lambeth Company may reasonably be required or expected to incur." In your view, is that direction necessary, and under which head of what you have already stated would it come?—I think that that comes mainly under the second head,

Mr. *Balfour Browne*—continued.

head, but almost everything that comes under the second in a sense bears on the first. Supposing that the returns of the Lambeth Company have been better because they have not looked ahead, or have not looked at their responsibility to the full, and the consequence is that they have not kept their reservoirs, filter beds, filtration arrangements, wells, mains, conduit pipes, machinery and plant in such a condition and state of repair that keeps them abreast of their present and up to the performance of their future liabilities, and that there are liabilities or obligations which they are not performing or which they will have to perform but are in a state of unreadiness for doing it, then the return of the company both in its effect on the reputed price and also in its effect on the price that a person going into the matter might be willing to give, is that the thing looks a more prosperous thing.

Chairman.

2622. What do you mean by a person going into the matter; do you mean a purchaser of Stock?—No, I mean a person going into the matter, a man who says "I will not take market price; I will go and look at your books," he might see a return in a year which is a large return; but that return has to be discounted if they have not kept themselves abreast of their duties and liabilities.

Mr. *Balfour Browne.*

2623. As I understand, a person looking at the books of any one particular year might see in that particular year there was very little spent on repairs. That would be an unfair basis if the repairs were left over until the next year?—If they were left over for next year, and if the repairs did not include so much development as would keep them well above their duties for the coming year.

2624. Do you think that an arbitrator left without any direction at all would look into the future duties with regard to that development?—It is doubtful whether he would, but I think that it is almost certain that he would give to it only a very modified effect because the argument would be pressed upon him.

Chairman.

2625. You say it is doubtful whether he would look into it?—Yes, certainly not if he thought he had to take the repute price, and even if he thought he was entitled to look into it it would be probably only in a very modified way, being discounted by such arguments as that they had to take the thing, and it had got along in that way, and must be supposed to be able to get along in that way in the future. It seems to me that the London County Council ask that the price shall be based on the hypothesis I gave at length and which I do not wish to repeat.

Mr. *Balfour Browne.*

2626. Therefore you think it is right he should consider it; it is doubtful whether he would, therefore it is right to instruct him to consider it?—Yes; and once more I say that this instruction given with the others would indicate clearly to an arbitrator the basis on which the fair and reasonable value was to be ascertained.

Mr. *Balfour Browne*—continued.

2627. Now will you take the next: "The legal powers of the Lambeth Company to take water and the probability of such powers being limited"?—There again that looks to future responsibility, and however tight a company may have shut its eyes to future responsibility, its present returns are not lessened, and probably may be increased by that blindness. Supposing that this company will have in the near future to find sources more expensive and more difficult than those it has at present, I think it is fair to consider that that is a weight of responsibility pressing on the undertaking which, though it does not affect, or has not been allowed to affect, its present financial position, should be considered in an estimate of the fair and reasonable value on the basis I have indicated.

2628. Without an instruction, do you think an arbitrator under an ordinary submission would consider such a matter?—No, I do not.

2629. You do not?—No, I do not.

2630. I think you have dealt really with the next paragraph, have you not?—I think I have; I may say I can see that these paragraphs have been put in an order which shows that they were grouped according to the logical sequence in somebody's mind; I do not quite understand how the grouping was settled, but on the other hand I can see that it was done with care, and I have no doubt that the person who drafted it could explain exactly the order, but it seems to me that No. 3 is a good deal like No. 1.

2631. And No. 4 really is like No. 2?—I have included No. 4 in my remarks on No. 2.

Mr. *Pember.*

2632. Three equals 1, and 4 equals 2?—I have not distinguished them in my remarks.

Mr. *Balfour Browne.*

2633. I think in what you have said you have covered those paragraphs?—Yes.

2634. The next is with regard to the legality of the charges made and claimed to be made by the Lambeth Company?—There is an example of a consideration, which I think ought to be before the arbitrator, which does not certainly affect the repute price, but it is rather a question whether or not there is not an excess of abuse price.

Mr. *Bidder.*

2635. Which are you referring to now?—The legality of the charges. Charges may have been made and acceded to, and a business arbitrator might say, "While these charges have been acceded to in the past, what is the chance of a man fighting it up to the House of Lords on eighteen pence. I do not think that the fact whether it is legal or not legal will make much difference." Now, I do not think that is a ground on which the company is to get an excess of price. I think the county council has a right to say, "You must assume that this undertaking is in the hands of people who do not charge more than they ought to, and who do and provide all that they should," and I think that the legality of the charges would probably not be considered by an arbitrator without a special direction. I feel sure that instead of taking the charges at what

Mr. *Bidder*—continued.

what they legally are he would only make a very small deduction for the possible re-arrangement of those charges after legal decision, instead of giving full effect to what the law does prescribe.

2636. Is there any one of those directions which you of your experience would say would cut down the price below what is fair and reasonable?—On the contrary. I think these indicate the fair and reasonable price at which the County Council should be allowed to take the water companies. I think they indicate the meaning of the words "fair and reasonable value."

2637. And do not cut it down below that?—No. If I might use the French word, they *préciser*, they fix it, they define it.

2638. The next matter I want to ask you upon is "the deductions from any compensation claimed by the Lambeth Company which may in the opinion of the arbitrators be reasonably made in respect of any insufficiency of the present storage or filtration of the Lambeth Company or in respect of the provision of supplementary supplies." I daresay you know that the Royal Commission did report that some of the companies, I will not go into which, were defective both in storage and filtration?—Yes.

2639. Although that is a report of a Royal Commission it is not law?—No.

2640. Would an arbitrator without a specific direction be bound to consider that report as binding on him?—Most certainly not; but those two directions belong to the class of No. 1 and No. 3. They rather amplify and make clear 1 and 3 rather than add anything new, or at all events——

Chairman.

2641. Is this the deduction from any compensation?—Yes.

2642. And that paragraph, you say, does what?—It belongs, I think, to the class of No. 1 and No. 3.

2643. Do you apply the same observation to the next paragraph?—Yes. I think rather they point to the consequences of establishing No. 1 and 3. There are to be deductions therefore made.

Mr. *Pember.*

2644. Do you say 7 also belongs to 1 and 3?—Yes.

Mr. *Balfour Browne.*

2645. I will ask a question upon that. Where plant has become useless or obsolete, if it is still in the capital account, it ought to be disregarded for revenue purposes—that is quite obvious?—Yes. I think my instructed purchaser would amend the accounts in that way, decidedly.

2646. Just to emphasise these words, "instructed purchaser," the fair value of the undertaking is what a fully-instructed purchaser would give?—Yes; the fair value of an undertaking is to be what a fully-instructed purchaser would give for the undertaking. I am not talking now about the value to the purchaser.

Mr. *Balfour Browne*—continued.

What I ought to say is this: the value in a fully-instructed mind of the undertaking, saddled with all its responsibilities, and with only its legal powers.

Chairman.

2647. I do not quite follow that. Do you mean the fully-instructed mind of the arbitrator or the purchaser?—A fully-instructed mind of an arbitrator who is to take all this instruction into account in fixing a fair and reasonable value. He is not to say, "That is a statute which the public do not know of and I may put it on one side," or anything of that kind. He must know what the real legal position of the undertaking is, both as to duties and responsibilities; he must assume that those are to be carried out to the full, and he is to estimate the fair and reasonable value on that basis.

2648. Assuming that, is it quite clear that what you mean is that the person to whom you refer as the fully-instructed person is to be according to your theory the arbitrator or the purchaser?—He is to be the arbitrator.

Mr. *Balfour Browne.*

2649. As I understand, a person who buys a Lambeth Water Company's share in the market is not a fully instructed purchaser?—I do not think he is.

2650. And as I understand, it does not at all follow that if he gives 210*l.*, or whatever the price is, that if he were fully instructed he would give that amount?—Most certainly not.

2651. If, for instance, he considered the future responsibilities, and one of them is a possibility that they may be driven away from the Thames and have to go elsewhere, would that fully-instructed purchaser give a great deal less in your view?—Certainly, I think he would. I can imagine a fully-instructed purchaser giving too much, because he might say this, "They have shirked those responsibilities for so many years, they will shirk them for some more years, and I can afford to give very little weight to the fact that those responsibilities rest upon them." Therefore I can understand the most fully-instructed purchaser, say the solicitor to the company, who knows all its duties and everything, might feel it was safe as a commercial thing to continue to shut his eyes to liabilities and overcharges because practically they could be made. Now I think that the London County Council asks that the price shall not be estimated on that basis, but it shall be a fully-instructed purchaser or a fully-instructed arbitrator, I would rather say, estimating the value on the hypothesis that the liabilities and duties and charges are all that by law they should be. You will quite understand, sir, that I am not here saying they are not, only that is a matter with which those who are acquainted with the actual facts of the case must assist the Committee upon. The London County Council wish that it shall be estimated on that basis, and this clause is to secure from ambiguity that it will be estimated on that basis.

Mr. *Balfour Browne*—continued.

2652. Suppose there were no instruction at all, and an arbitration took place, and the County Council go before the arbitrator and say, "You must consider that these companies may have their sources of supply taken away," do you think that, legally, he could take that into consideration without an instruction?—I think it exceedingly doubtful; and my main feeling is that this is a thing where doubt should not be allowed.

Chairman.

2653. You think it exceedingly doubtful whether, legally, he could take it into consideration?—Yes, but I think it enough for the present purpose that it would be exceedingly doubtful; and in such a serious matter as this, where the public are going to pay a very large sum of money, there should be no doubt left as to what the price is that they have got to pay.

Mr. *Balfour Browne.*

2654. Suppose, for instance, he ruled against us, and said, "I will not consider the possibility of a future source of supply, or the probability of a future source of supply, under these circumstances," might the ratepayers of London probably have to pay too large a price for the undertaking?—Certainly, in my opinion.

2655. It would be beyond, in your view, what would be fair and reasonable?—Yes.

2656. I think the last of these directions you have not yet referred to; will you look at that?—I think that probably an arbitrator would take no heed of the statutory powers of any other company to compete in any part of the Lambeth Company's district, or the right of any other company or body to supply water in the Lambeth Company's district, whether as now existing under statute or otherwise, or as may be likely to exist in the future?—Certainly, he could not take the whole of that into consideration. I doubt whether he would practically take into consideration any portion of it.

Chairman.

2657. I do not quite understand one answer you gave. You say certainly he could not take the whole of it: what do you mean by that?—He could not take the whole of that clause into consideration—I mean the whole of the matters mentioned in the clause, "As may be likely to exist in the future," he certainly could not take into consideration.

2658. You are now on the statutory powers, are you not?—Yes, the last direction.

2659. Is that the part which you say he certainly would not take into his consideration?—The last part of that paragraph.

Mr. *Balfour Browne.*

2660. You know, of course, that the London companies overlap each other's districts?—Yes.

2661. And have a power, although they are not absolutely compelled to compete with one another?—Quite so.

2662. Do you think it is a fair thing that the arbitrator should consider those statutory powers?—I do.

Mr. *Balfour Browne*—continued.

2663–4. Should your instructed purchaser have regard to them?—Yes, I think he should, decidedly.

Chairman.] You say now "would your instructed purchaser." I understood we had called him "an instructed arbitrator?"

Mr. *Balfour Browne.*] It is quite true; but they are mixed up in my mind, and I think in Mr. Moulton's mind as well.

Witness.] I think the instructed arbitrator, in estimating this value, should take into consideration all the things in that last paragraph, and I will talk about "instructed arbitrator" if you will allow me.

Mr. *Stanhope.*

2665. May I ask one question to clear up the basis on which all this examination has proceeded. You say certain things would be excluded without instruction; do you mean excluded from an ordinary arbitration under the Lands Clauses Act, or do you mean that they would be excluded from an arbitration such as is set forth in the first paragraph of this clause, without any instructions whatever?—I explained that rather at length at the commencement. I said that the words "fair and reasonable value" might be taken in many senses, and that these were for the purpose of defining the basis on which the fair and reasonable value was to be taken. I think that what you arrive at here is a fair and reasonable value, but I should imagine a person taking (and I think without directions a person would take) a meaning of "fair and reasonable value" which would not be the same as this.

Mr. *Balfour Browne.*

2666. Is there anything else which occurs to you to add upon that clause?—No, that is the conception that I have always had of this clause. I think, as I have said before, that the London County Council come to Parliament and say: "Let us buy the undertaking of the company for this price," because a price ascertained on the principle that I have described, I may designate as "this price." Of course they have not put in the figure—that is, the arbitrator—and it is for the Committee to decide whether at that price leave will be given. But the London County Council is, in my eyes, not only justified, but bound to have the price fixed in the Bill, not in money, but with sufficient directions as to what it is to be, that is to say, on what basis it is to be ascertained.

Chairman.

2667. Are you dealing with the Southwark and Vauxhall Bill?—I have both of them here.

2668. Because in the Southwark and Vauxhall Bill there is one paragraph with which I think you have not dealt. It was discussed by a previous witness.

Mr. *Balfour Browne.*] The direction to take into consideration the provision of Clause 3 of the Southwark and Vauxhall Bill you refer to, sir?

Chairman.] Yes.

Mr. *Balfour Browne.*

2669. (To the *Witness.*) What do you say to that?—Honestly, I have forgotten entirely what that is; I have not considered it.

2670. Very well; upon these matters, so far as I know, you have said all you desire to say?—Yes.

Mr. *Balfour Browne.*] That is all I need ask Mr. Moulton.

Cross-examined by Mr. *Littler.*

2671. I need not repeat my expression of regret as to this class of evidence, but I am bound to say I feel more than ever justified in desiring to record a protest against members of the Bar being called.

Mr. *Balfour Browne.*] It is at the request of the Committee.

Chairman.] Let me say one thing, Mr. Balfour Browne. We did not ask you to call Mr. Fletcher Moulton, or any counsel; we only asked you to call whatever witness you had who would throw light on the difficulty which the Committee felt.

Mr. *Balfour Browne.*] I have such a high opinion of members of the Bar that I think they are experts on these particular matters, though my learned friend Mr. Littler is more modest.

Witness.] I do not know whether I may say I do not come here imagining I am counsel, but I was one of the London County Council at the time, and of course in matters which have to do with Bills I was specially interested, and it is entirely as explaining what I understand to be the meaning of the request, and certainly it is in such a way I am here. I am in no sense giving evidence as a lawyer.

Mr. *Littler.*

2672. It is very like it. You are experienced as a lawyer?—My experience as a lawyer was used when I advised them to put in clauses of this kind.

2673. Where in the Lands Clauses Act are the words "fair and reasonable value"?—I will not trust my memory, but I do not think the words "fair and reasonable value" are in the Lands Clauses Act.

2674. Therefore, you start at the very outset of your clause with a different indication of value to that which there is in the ordinary law?—I do not quite understand you.

2675. I ask you why you have varied the language; you admit that it is not the language of the Lands Clauses Act; why is it varied?—I understand this to be a request on the part of the London County Council to Parliament to let them buy this undertaking at a price ascertained in a special way.

2676. Will you tell me anywhere in any Act of Parliament where the buyer has been allowed to prescribe the terms on which he is going to buy from the seller?—If you mean private Acts, I am not acquainted with private Acts.

2677. Do you know any public Act?—I do not know that I know of any public Act, but it does not seem to me that the justice or injustice of the request is the least to be tested by whether it has been made before.

Mr. *Littler*—continued.

2678. At all events, this is wholly unprecedented as far as you know?—You may take it so, if you like.

2679. In the next place, when you are speaking about what an arbitrator would or would not take into consideration, it is obvious, as these words "fair and reasonable value" have never been used before, there is no judicial decision to guide him what he would take into consideration?—Then there is all the more need that it should be clearly indicated in the Bill itself how this price is to be ascertained.

2680. That is exactly the answer I expected; but it seems to me not to further your cause. Let me ask you this next question: what is the last water or gas purchase that you have been concerned in which has given you this experience?—I do not think I said I have been engaged in any water or gas purchases. I daresay I can tell you if you will let me think.

2681. I mean a purchase of gas or water?—I do not know that I can remember, but I was talking about my general acquaintance with arbitrations, which has been fairly large.

2682. But this is a particular sort of arbitration. I will ask you broadly, can you find in any authority or in any law which is in existence any indication that an arbitrator could not take into consideration every circumstance which tends either to enhance or to depreciate the value of a property?—It is quite impossible to answer a question put in that way. An arbitrator takes into consideration that which is germane to the issue before him. If the issue before him is to ascertain what the sum total of the market value of the shares is ——

2683. No, no?—Will you kindly excuse me.

Mr. *Balfour Browne.*] Let him answer the question.

Mr. *Littler.*

2684. That is one element, of course, in ascertaining the value, but it is not the fact that if either side tenders evidence which ought to be accepted in law, and the arbitrator rejects it, it is an immediate cause for upsetting the award?—I think you are a little late in your law there.

2685. Indeed?—Yes, because I think you will find that acceptance or rejection of evidence by an arbitrator is no ground for upsetting an award. It is ground for taking objection to the proceedings of an arbitration, but I think you will find it is not what you say.

2686. Is it not a fact that if an action is brought on the award, and the person objecting pleads that evidence has been improperly rejected, thereupon that is a good defence to the action on the award?

Mr. *Balfour Browne.*] I should say no.

Witness.] I think you will find it is not so; but a lawyer does not like to advise as to a statute unless the statute is before him.

Mr. *Littler.*

2687. But, you see, the misfortune is you are brought here to give your experience?—I think, if you look, you will find that the improper rejection

Mr. *Littler*—continued.

rejection of evidence is not a ground for setting aside an award.

2688. If the rejection of evidence has been such as to absolutely alter the value which ought to be in the award ——

Mr. *Balfour Browne.*] How can you find that out?

Witness.] I can only repeat what I have said.

Mr. *Littler.*

2689. Surely that is misconduct of the arbitrator. I thought that was a first principle?—I think if you will kindly look ——

2690. I do not need to look, I assure you. I am sorry to say I have had nearly 40 years at arbitrations, and I do not propose to look?—Then your experience has been mainly derived from a time before the Arbitration Act. I think if you will look at the Arbitration Act now you will find I am right.

Mr. *Pember.*

2691. Do you mean the Act of 1889?—Yes; I think you will find I am right.

Mr. *Littler.*

2692. If it is in the Arbitration Act you can find it for us. You will find it presently, I daresay?—I will. It is only testing my memory.

2693. Is it not the fact that under the Arbitration Act the arbitrator can at any time take the instruction and opinion of the court as to whether or not he should admit any particular evidence?—He certainly can, I think, of his own proper motion, but I am not quite sure. He certainly can take it if one of the parties desires it.

2694. And in addition to that, if he is required by either party he must do so, must he not?—That I am not quite certain about; but may I answer at once with regard to this——

2695. We will refer to the Act presently. I only want to see now on what considerations you base your evidence, because we can deal with all these things in the Act later on?—I think I shall be able to save you a little trouble if I say with regard to this that I think these directions are as necessary for the court as for the arbitrator, in order that the principle may be defined. In my opinion they are given to the arbitrator as being the court to decide. I do not know whether I make myself intelligible. I say that they define the issue by showing what is material to it.

2696. If there is any circumstance which will depreciate the value of a property, ought not the arbitrator, if he does his duty, to take it into consideration?—It entirely depends upon what the meaning of the words "fair and reasonable value" may be.

2697. I have gone from those words because I object to them altogether. In an ordinary arbitration, with the ordinary words for finding the value, namely, the words of the Lands Clauses Act, where there is nothing said about "fair and reasonable value"——

Chairman.] What are the words of the Lands Clauses Act?

Mr. *Littler.*] "Value" only; there is nothing about "fair and reasonable."

Mr. *Pember.*] The word in the Lands Clauses Act is "compensation."

Mr. *Littler.*

2698. And when you come to the other words it says, "In ascertaining the value." These are the words: "As to the value of such lands or any interest therein, or as to the compensation to be paid in respect thereof." (To the *Witness.*) Ought not the arbitrator to take into consideration every circumstance which enhances or diminishes the value of property taken to the owner at the time of taking?—If he is to determine the value on any principle he is bound to take evidence upon everything which on that principle would affect the value, because he is bound to take all germane evidence.

2699. Exactly; without any instruction whatever he is bound to do that, and he is bound to consider, on the one hand, anything which the claimant contends increases the value of his property, and anything which, on the other hand, the promoter contends decreases the value of his property?—Using the word "value" in the sense of that which he is to ascertain by his award.

2700. And the value of that which he is to ascertain by his award is the property taken?—That entirely depends upon what price the property is to be taken at.

2701. That is not my question; what he is to ascertain the value of is the property taken, is it not?—It entirely depends upon what the statute is with regard to that. I do not want to be at cross purposes with you, and I am not going to fence you in any way. Let me give an example. Take the case of the Artisans' Dwellings Act.

2702. I am dealing with the Lands Clauses Act; do not let us run away from that. I put it to you that in an arbitration under the Lands Clauses Act, and I am sure you know it as well as I do, on the one hand the arbitrator can, does, and must take into consideration all matters germane to it (accepting your own words), which tend either to increase the value of the property taken in the hands of the owner, or to decrease the value of the property taken?—Yes, using "value" in the sense in which he is by those words in the Lands Clauses Act to ascertain.

2703. That is the principle, is it not, which has been applied to every purchase of a gas or water company by a municipal corporation since the year 1845?—I really cannot say.

2704. Do you know of any to the contrary?—I am not a person qualified to speak as to that. I have had practice in these rooms, but not a tittle of your own, so that I decline even to say anything about it.

2705. I ask the question because, having happened to be engaged in a great many of these cases, I want to know if you can indicate any one case in which that has been held, not only to be the duty of the arbitrator, but that which the arbitrator has done?—You see, to answer a question as to what has been the practice in these rooms requires a continuous acquaintance with them.

2706. I do

Chairman.

2706. I do not think it can be put further than this. As I understand you, you say you do not yourself recollect such a thing?—I really do not recollect the terms of purchase.

2707. You must not think the Committee are pressing you unduly, Mr. Moulton. I ought perhaps to tell you what perhaps you do not know, that is this: when I suggested to Mr. Balfour Browne that he should call some person to resolve our difficulties, if possible, what was said by Mr. Balfour Browne was this: "I have read the last words which fell from you last night. What the Committee would like" (of course we do not want to interfere with the discretion of counsel) "would be to hear more evidence in support of the view that it is necessary to give special instructions in order to have these matters brought to the knowledge of the arbitrator. That, of course, is not really so much a question of evidence as of argument, although we have called evidence, but still we do desire to lay before you evidence, and I hope to be able to call before you to-morrow my friend Mr. Fletcher Moulton, who has had large experience in these matters, and he will express his views." Therefore it is not the Committee who have subjected you to this examination, although we are very glad to see you, and we are much obliged to you for coming here?—I do not at all object to the question, sir. The only point is this: I have had, I think I may say, very great experience in arbitrations, and in the duties of an arbitrator in carrying out arbitrations, but I cannot speak as to what particular Statutes for a particular purpose have defined as his duty. If his duty is to find the value under the Lands Clauses Act I have had experience as to that, and I can say with more or less accuracy what his duty in finding the value of lands under the Lands Clauses Act is. But the point I cannot give you evidence upon is, to what extent, if at all, private Acts authorising purchase have deviated from the Lands Clauses Act. That is a question of knowledge of private Acts which is not within my domain.

2708. As I understand you, you say that, as far as your experience goes, you do not recollect an instance; that is what you have to say in answer to Mr. Littler's question?—I do not recollect any.

Mr. *Littler.*

2709. As I understand, you do not remember any case in which you have acted as counsel in a transfer arbitration?—Of course you except the tramways.

2710. I am speaking of gas and water only; that is what we are dealing with here. Tramways was under a special Act. Have you sat as arbitrator to decide the value of a gas or water undertaking as between the selling company and the purchasing corporation?—I do not think so. No, I am sure not.

2711. I was not asking you about what was the practice in these rooms, but I was asking you, do you know of any arbitration between a corporation and a water company which has not been conducted under the Lands Clauses Act, 1845?—That is the same question again; I do not know anything about them; I do not know

Mr. *Littler*—continued.

the private Acts, and I do not recollect for the moment what private Acts have said.

2712. You will agree, will you not, that under the Lands Clauses Act, 1845, my definition was perfectly correct, namely, that it should be the duty of the arbitrator to take into consideration all matters germane to the property which either increased its value or diminished its value to the seller?—Yes.

2713. And the decision under the Lands Clauses Act is express, is it not, that you are not to inquire into the value of it to the purchaser, but the value of it to the seller on the day of the notice to treat?—Yes.

2714. Therefore, if he is under disability of any kind he gets less; you know Stebbings' case laid that down long ago?—I do not quite understand.

2715. Do you not by the reference to Stebbings' case; do you remember Stebbings' case?

Mr. *Balfour Browne.*] It was the case of the vicar and the churchyard.

Witness.] Yes, I remember the case; that was ascertaining the value.

Mr. *Littler.*

2716. Ever since that case has it not been recognised that the whole question is the value to a seller; if he is under a disability, and for any reason the property is worth less to him than to another person, he is entitled only to that value?—Yes, certainly I remember the churchyard case, but I did not remember it for the moment under the name Stebbing. Of course, it is a well-known case.

2716A. Is there a single one of these eight directions which tends to the advantage of the seller?—That depends entirely upon what the facts are. If the condition and state of repair of the reservoirs is very good, it redounds to the advantage of the seller.

2717. I thought from what you said to me just now you admitted that which is common knowledge to us who engage in these things; is not the condition and state of repair of the premises sold the very first thing an arbitrator looks at under an ordinary arbitration?—It entirely depends. It depends upon what view he takes of the meaning of "fair and reasonable value."

2718. But I protest against your words "fair and reasonable value," to begin with. Taking an arbitrator who ascertains the "value," which is what I want, and what I hope the Committee will see is the only fair thing, is it not common form that the very first thing you do is to call an engineer who has been over the works, and to describe their condition?—If he is proceeding under the Lands Clauses Act, and nothing but the Lands Clauses Act, I think that an arbitrator might take the view that he is to consider what the value to the seller is as to the amount he can get for his shares, and then none of these directions would be required.

2719. Then why do you want them; because of those words "fair and reasonable"?—Because that is not the price at which the London County Council asks to be allowed to take the undertakings.

Mr. *Littler*—continued.

2720. Then do I understand that the London County Council are asking to prescribe a form to the arbitrator because in their view those are the only sort of terms on which they are prepared to buy?—I think they are asking the Committee to let them buy at the value to an instructed arbitrator of the undertaking, which, as I have said, performs its duties thoroughly.

2721. What you are seeking to do is compel the water companies, who do not want to sell at all, not only to sell, but to sell under special conditions which you want to prescribe?—At a price which we consider a fair one.

2722. That is to say, you being the buyer, should tell the seller what is the fair price?—Not at all; the Committee is to tell him what is the fair price.

2723. Then you know in order to ascertain whether you are right, we must have an arbitration in this room to discuss each of these conditions?—No, but you must have the meaning of the words "fair and reasonable value" defined in this room.

2724. In an ordinary arbitration if the seller claims more than he is legally entitled to, he is immediately put right by an objection, and going to the court, is he not?—No, we should never get on with arbitrations if he was.

2725. But it is common knowledge, surely, that if a man, for instance, purports to sell a freehold and he has only got a leasehold, he never gets his money?—That is true.

2726. And, for example, if he set up that in connection with his house he had a certain right of way, and he has not that right of way, he never gets his money, that is the ordinary form, is it not?—Probably, in the cases you have mentioned, yes.

2727. Then you do not want No. 2?—Why not. You must not misunderstand my last answer; that is a case of title, that is not a case of claim. If you say that what you are selling is a piece of land bounded by certain boundaries, and you have not got it, the arbitration does not enable you to recover the price for that which you do not sell.

2728. What is a legal power to take water but a claim of title?—You are using title there in a different sense. The Lands Consolidation Act is peculiar in this way. The arbitrator has nothing whatever to do with title. A claim is made by the person, who says: "I own that property," and he says, we will say, "I have a freehold of two-thirds and a leasehold of the other," the arbitrator simply fixes the quantum, then the company need not pay; but if an action is brought and he cannot prove that he does possess that, of course he does not get the money, which has been found on the basis that he does. But supposing this company before the arbitrator was to describe its powers wrongly, or anything of that kind, there would be no such procedure. The award of the arbitrator would be binding upon them. They have not got to prove title to all the advantages they put forward in the sense that a man has to prove title to land.

2729. Do you mean to say that supposing we made a claim founded on the right of taking 20,000,000 gallons of water from anybody's well

Mr. *Littler*—continued.

or from anywhere you like, and we had not that title, and could not show that title, that the award could stand?—It certainly would not be set aside on that ground.

2730. Why not; it is a claim of title; I must say that we differ so much that it is very desirable everything should be left open, because of the propositions you are laying down; one is bound to dispute them one by one; it is a claim of title if anything could possibly be; then "the adequacy and efficiency of the sources of supply."

Mr. *Balfour Browne.*] You have not read the whole of that. "The legal powers of the Lambeth Company to take water and the probability of such powers being limited." Is that your legal title?

Mr. *Pope.*] Surely the power is one of the elements.

Mr. *Littler.*

2731. I did not think anybody would doubt the arbitrator would consider it. (To the *Witness.*) Supposing you are buying water which comes from springs, if it were proved that those springs were in the habit of giving out every eight years or so, the arbitrator would give less than if they were perennial, would he not?—It would entirely depend upon whether he thought he ought not to give the market value of the shares, in which case he would not.

2732. I am not dealing with the market value of the shares; the market value of the shares is an element, is it not; you would not exclude the arbitrator from considering the market value of the shares?—I should not.

2733. Very well then, why do you keep on introducing the market value of the shares; we are agreed about that; now then, as to the "adequacy and efficiency of the present sources of supply"; is not that the first thing an arbitrator considers in a water transfer, and of course that applies to the other details, "the probable necessity of the future introduction of a new source of supply, or new or improved works." Is not that the most ordinary thing possible; because if a thing will last for ever, you will probably give a perpetuity price, or 33 years' purchase; if it is going to give out very shortly, you will give 10 years' purchase?—I am perfectly satisfied if there were an arbitration under the Lands Clauses Act, and you were for the company, you would exclude evidence of that kind.

2734. I can assure you if I succeeded in doing it I should be very much more capable than I have ever found myself yet; of course one would argue that they were permanent, but surely all these questions are the very things which make the difference between what one knows, that in some cases people get 33 years' purchase, and in other cases 16 years?—These things are all quite fair if you are estimating the price on the basis of the instructed arbitrator finding out the true value of the concern on the hypothesis I have given.

2735. Why am I to have less than the true value of my concern?—I say they are all germane to that.

2736. And would therefore all come in without

Mr. *Littler*—continued.

out these instructions?—Provided the clause made it clear that "fair and reasonable value" was taken on the hypothesis that I have put forward; I think it would.

2737. I pass on now, because it is really coming to the same thing over and over again; but did you ever in your life see in an Act of Parliament, or anywhere else, "whether as now existing under Statute or otherwise, or as may be likely to exist in the future"?—No, I think the terms of purchase in past cases have not been properly defined. I quite agree, and this I think is an attempt to define the price at which a public body should be able to obtain such an undertaking as this.

2738. Is it your contention then that because it is a public body the unfortunate shareholder is to take less for his undertaking than it would fetch in the market?—I think he will get a fair price for it under this clause.

2739. That is another question; that is a question for the Committee, not for you?—I know it is.

2740. Is it your contention when a public body buys, the unhappy shareholder is to get less than if he sold in the open market?—Very likely he ought to.

Cross-examined by Mr. *Pember*.

2741. I should like to ask you first one general question which I have taken the trouble to formulate, and see whether you can answer yes, or no, to it; imagine this clause stopping at the words, "having regard to all the circumstances of the case," I ask you this question, would not any arbitrator who knew and meant to do his duty be bound to take into his consideration every circumstance properly adduced before him, as tending either to enhance on the one hand, or diminish on the other, the present or prospective value of the undertaking?—Yes, defining the word "value" according to his notion of what the issue was.

2742. You know he is the judge?—That is exactly what I think he ought not to be left to be.

2743. Then what is the use of putting him in the Bill?—May I explain exactly what I mean. He is to be an arbitrator who is to find the quantum of something which is to be defined by the Bill. Leaving it in this vague way leaves him to decide what is defined by the Bill, and in my opinion, the Bill ought to make it clear what it is he is to find: he is to find the quantum of that, and I think that this clause defines his issue; the issue that he is to turn into money.

2744. We will come back to it; you answer my question in the affirmative, provided you are allowed to define the word "value" according to your liking?—I do not understand that question.

2745. Do you not?—I understand this. The London County Council asks the Committee to define the words "fair and reasonable value" in the clause, and it does it by directing the arbitrator's attention to certain important heads which are material to the "fair and reasonable value" as they intend it to be understood.

Mr. *Pember*—continued.

2746. Does it not occur to you that you turn him from an arbitrator into a mere valuer?—Yes, I think he is a valuer.

2747. And that is all he is; but I see you are not only not content to leave him to be the judge of what is fair and reasonable, but you are not even content that the court should be?—I beg your pardon, I do not understand that.

2748. I took your words down with considerable caution and care all the way through; you said you thought that these instructions were as necessary for the court as for the arbitrator?—Precisely, because in my opinion they define the issue, and the court has to have the issue defined for it as much as the arbitrator.

2749. In other words, you will not allow the court any more than the arbitrator to say what is "value"—"fair and reasonable value"?—Because Parliament ought to say it. I do not know whether I have made myself intelligible; but what I suggest to the Committee is this: Parliament ought to say on what principle fair and reasonable value of the undertaking is to be estimated, because they ought to define in its principle the price that ought to be paid by the London County Council.

2750. Now let us get the broad issue; as the court is not to be the judge of what "fair and reasonable value" is, any more than the arbitrator; certainly the courts and arbitrators having been so up to now, the general law of the land on the subject of compulsory purchase is to be absolutely altered, in its most essential feature, for the purpose of allowing the London County Council to get these undertakings much cheaper than they otherwise would?—Whether it is cheaper or dearer than they otherwise would, they ask to be allowed to buy it at a price so defined.

2751. I should like to analyse one or two of your fears of what the arbitrator might do; you say you are afraid, in the first place, the arbitrator, seeing the words "all the circumstances of the case," without explanation, might think he was entitled to fix the market value, repute price, which, of course, I take to mean a false and erroneous idea of what the price and value ought to be?—Yes, I do. I do not think that is the price we ought to be required to pay for it.

2751*. You might be surprised to hear, nor do I; that is to say, if the British public have made an utter mistake in consequence of their ignorance as to what the real value of the thing is, you claim that their ignorance ought not to guide the arbitrator?—Yes.

2752. What should you think of an arbitrator who, with all the means of finding out what the true value of the undertaking was, elected not to take that, but the repute value; should you think he was a good arbitrator; should you think that he was fit for his place?—If he thought that that was the meaning of the clause he would be bound to carry it out.

2753. To put it bluntly, and in as pure Saxon as I can, would not you think him an arrant fool if he did?—It entirely depends, in this way. Supposing that he considers that that is the price to be paid, and I am quite certain counsel would

Mr. *Pember*—continued.

argue before him that that was the price to be paid——

2754. Not if they had me; but perhaps they will not. I should like again to ask you what you would think of an arbitrator who having these words before him, that he is to determine the "fair and reasonable value of the undertaking, having regard to all the circumstances of the case" interpreted them to mean what any uninstructed and ignorant member of the public might think was the value of the shares?—He might look at it in this way——

2755. Should you think him a wise man or a fool, which?—It is rather rough to say I should think him a fool, or should think him a wise man.

2756. Never mind about being rough, I will forgive you for once. Would you not think him a fool, yes, or no?—No. Will you kindly allow me, I will answer you quite fairly.

2757. The man is not named yet, so you need not be delicate?—I will answer you quite fairly, Mr. Pember. You know perfectly well that in these arbitrations under the Lands Clauses Act perpetually you go to actual prices obtained, and one of the strongest bits of evidence put before an arbitrator is the prices obtained in the market for neighbouring properties——

2758. I should so much like instead of your putting to me what you suppose I know, to answer my question. Should you think that a very good or a very bad arbitrator who allowed himself to be so led away?—I should think he had taken the wrong interpretation of the clause, but I should think that the clause left it considerably ambiguous.

2759. Now let us go to the next fear which you have. You say another danger may arise from the value being enhanced from abuse of position, that the company may not have carried out its proper obligations: might not have kept its works in good order and so on, and might even be making illegal charges, and that is what you call very properly "abuse value." What should you think of an arbitrator who having had full information from evidence brought before him, first of all, that the company had been charging illegally; secondly, that they had not fulfilled their obligations, and thirdly, that they had not kept their works in proper order, said, in spite of all that "I shall give them" what you properly call "the abuse value"?—I think an arbitrator, unless he had clearly indicated in the clause the principle on which he must act, would probably attach far too little value to those matters, he might attach some. I do not know whether he would attach any, he might think even it was not admissible.

2760. I will ask you a question upon that. I think we shall be able to all agree that the first factor that would occupy the mind of the arbitrator would be the income derived, would it not?—It would; that is, assuming that he was not going for the market value of shares.

2761. Assuming he was not the fool which I think he would be if he did that, and which I can see you think he would be too; let us assume then that the income derived would be the first factor which would strike his mind. Would not the second consideration be whether that income was likely to be permanent?—Yes.

Mr. *Pember*—continued.

2762. Would not the permanency of that income depend upon whether or not the works were kept up in an efficient state?—Yes.

2763. Would not the permanency of that income depend upon such things as you have really mentioned in your clause, namely, whether their filter beds were made adequate, whether their powers of supply would remain what they were, and so on; would not the permanence of the income depend upon that?—It might or might not. What he might say to himself is this, that for a number of years sufficient to define the real present value they can probably get on with the present ones, and also without any large outlay upon them.

2764. Does not it strike you that that would be a question of fact which would either prove that the income was going to be permanent or which it had failed so to prove?—He might consider it would be permanent without their doing what I consider the clause defines they should do, namely, do their duties fully.

2765. Do not you think that anybody who is arguing for the London County Council could put before the arbitrator the necessity for their so keeping up their concern that they were obliged to fulfil their obligations and able to fulfil them?—I think it is probable that many arbitrators would consider that evidence was very far from the issue, which I do not think it is.

2766. Then it depends a great deal on what sort of arbitrator you take, does it not?—Very much so, and the consequence is I think you ought to define the issue very accurately.

2767. But do not you think it is far more important to define the arbitrator?—No, I think to define the issue gives the very best arbitrator. If he does not know his issue he cannot find a satisfactory award.

2768. He has to find out, has he not, first of all, whether there is such an income; secondly, whether it is likely to be permanent; thirdly, whether it is likely to increase, and fourthly whether it is likely to decrease?—All that being done on the basis of the full performance of all liabilities and duties.

2769. I notice this: I do not know whether you did it advisedly or not, you said nothing whatever about the last provision in the clause?—Of which Bill?

2770. Either one or the other; the section is the same in both?—No, the last one is different in the two.

2771. Then take the Lambeth Bill. I appear for the Lambeth, not for the Southwark and Vauxhall?—Unless you mean the proviso?

2772. I do?—It is the same.

2773. You said nothing about that?—No, I was not asked about it.

2774. There is no doubt whatever that all those three provisions alter the law.

Mr. *Balfour Browne.*] No, not the last.

Mr. *Pember.*] To say the least of it, I am entitled to have an answer from the witness.

Witness.] They define the price.

2775. They

Mr. *Pember.*

2775. They do a little more than that, do they not; do they not alter the law?—Without this proviso, under the Lands Clauses Act, those allowances would be made for these things possibly. I have not considered it very carefully, but they make it clear that they ought not to be.

2776. But it is not only a question of the Lands Clauses Act, but the first one alters the special case of the companies: "Provided also that no allowance shall be made by the arbitrators in respect of any claim to make up to the prescribed rate any dividened which shall have been payable more than six years previously to the passing of this Act"?—It does not alter the law of the Kingdom, but it says the price shall be taken independently of that.

2777. Do not you think that that is a very ingenious way of admitting that it does alter the law?—No, I beg pardon.

2778. It is no use you and I fighting over a thing which is palpable. Supposing as a matter of fact my company has been in existence for 50 years, supposing for 40 of those years I did not get my full statutory dividend?—Yes.

2779. Do you know enough of the law of these companies to know that I may go on when I have once reached the statutory dividend recouping myself for the whole of those 40 years?—According to your fundamental laws; yes.

2780. Let us leave out the adjective "fundamental"; it is the law of my being that I may do that. Does it not occur to you that if, therefore, by my law I am entitled to have 40 years of back dividends if I can get them; if you say the arbitrator shall consider I am only entitled to six, you, in effect, rob me of the possibility of getting 34 of them?—No; the London County Council think——

2781. I do not want to know what the London County Council think?—You must allow me. I can answer your question in no other way. The London County Council think that the price arrived at in this way is a fair price. It is in the nature of an application to Parliament for purchasing it at this price; that is one of the elements.

2782. I know; but you do not say what this price is any more than they say what their profit is?—We say the arbitrator is to find out what the quantum is; the price being defined by the clause.

2783. But, as a matter of fact, in order to get at this price, which is an unknown price, you would knock us off the chance of earning a great number of years back dividends?—That is one of the elements on which the price is to be taken. I believe there are cases in which the right to back dividends has been limited by subsequent Acts, but certainly in this case we say that no allowance is to be made for that.

2784. You will excuse me for saying that alters our law?—Certainly.

2785. We have taken a long time to get to that word "certainly." Now, let me take the second, that he is not to make any allowance "in respect of any assumed future increase of the rateable value of buildings and hereditaments"; as a matter of fact, are not we entitled, as at

Mr. *Pember*—continued.

present, to any increase in a rate which may be brought about by any increase in the rateable value?—Yes; we think that the price arrived at in not allowing you for that will be a fair price.

2786. I know; but still you do take something from us?—In that way, certainly. We take the whole thing away from you, and in estimating the price you are not to have any allowances for this; that is what we ask.

2787. Does not that, in effect, take from us one of the great factors in calculating the prospective value of the undertaking?—Certainly, in one sense it does, but that has got to be considered as part of the whole principle on which the price is to be estimated.

2788. You quite admit that those words that the arbitrator is not to take into consideration any assumed future increase of the rateable value of buildings and hereditaments within the district, takes away a very considerable factor in estimating the prospective value of the undertaking. Does this, on the other hand, occur to you, that as soon as you become the owners of the undertaking you will get the benefit of any increase in the rateable value of buildings and hereditaments?—It depends upon what you mean by "you."

2789. I mean the London County Council?—Then that will be for the benefit of the very people who pay them.

2790. Then, in other words, they get the benefit of them; it is something taken from me; it is something bought from me without paying for it. It may be an immunity from rates, but still it is bought from me without paying for it; does it not come to that?—I misunderstood your question, if that is what you refer to. I thought you said, Do not we get the benefit of it?

2791. Certainly; I do not care whether you mean the London County Council or the ratepayers of London; you get an immunity from the water rates which we might have charged you without paying us, do not you?—Yes, according to the present law. I will tell you if you wish why we consider this proviso is fair. We do not believe that it would fairly represent the value of the undertaking if you were allowed to calculate now on the prospective increase of the rateable value of buildings. The probability is that your services and duties will be distinctly more onerous as that rateable value of the buildings increased.

2792. Then the arbitrator will consider that, and will attach little value to the proposition which we lay before him?—Be it so. We say he is not to consider that, and we do not think that really it is unfair that he should not, because you must not imagine that the benefit of this increased rateable value will be unaccompanied by increased duties.

2793. One last question, and only one. Supposing that you do become the purchasers, and keep all the districts of the companies, as a matter of fact, you would get the benefit for the persons within the administrative County of London, who are the ratepayers of London, of any enhancement in the rateable value of the outdistricts?—I believe so far as this Bill is concerned we should.

 2794. I will

Cross-examined by Mr. *Bidder.*

2794. I will not repeat what my learned friends have asked you. In answer to my learned friend Mr. Littler and my learned friend Mr. Pember, you have been referring to their ambiguities or difficulties, or whatever you please to call them, in construing hereafter the words "fair and reasonable value"?—Yes.

2795. Suppose, instead of drafting a particular clause with those words in it you had simply done what Parliament does in all other cases of the same kind, and said if the terms are not agreed they should be arrived at by arbitration under the Lands Clauses Act, there would have been no ambiguities or difficulties whatever, would there?—On the contrary, I think the ambiguities would then exist.

2796. You may be aware that the general practice of Parliament in all these cases of compulsory purchase of gas and water undertakings has been simply to say that the undertaking shall be bought, and if the parties cannot agree to the terms, it shall be settled by arbitration in accordance with the provisions of the Lands Clauses Act?—Yes, I take that from you.

2797. Look at page 53 of the Proceedings of the 21st of May. I take the case I there put forward as an ordinary purchase clause; it is Question 855; never mind where it is or what place it is; will you take it from me that there are plenty of other clauses in a similar form. Taking that clause on its own merits, what objection or criticism have you to that clause as applicable to the case of London? I will read it: "The company shall sell, and the Council purchase, the undertaking of the company for such price or consideration and on such terms and conditions as may be agreed upon between the company and the Council, or as, failing such agreement, shall be determined by arbitration in accordance with the provisions of the Lands Clauses Act with reference to the purchase and taking of lands otherwise than by agreement, and in the construction of the said provisions the expression 'the promoters of the undertaking' shall mean the Council, and the expression 'land' shall mean the undertaking of the company, provided that for the purpose of any such arbitration the sale and purchase shall be deemed to be a sale and purchase by compulsion and not by agreement"?—The last line I expect refers to the surcharge on account of purchase by compulsion, what we call the 10 per cent.

2798. It leaves it open to the arbitrator to treat it as a compulsory purchase, and award in respect of it. My question to you, having that clause before you, is: What have you to say there is unfair or objectionable in it as applied to the case of the purchase of these water companies?—I think it is very probable that the price assessed in that way would not be what we consider to be a fair price, and what we have asked the Committee to say is a fair price.

2799. There I am thoroughly in agreement with you; but, putting aside personal feeling, it very often happens the buyer pays more than he thinks he ought, and the seller thinks he gets less than he ought; but putting aside that, have you anything to say or suggest against that clause as being objectionable or not working

Mr. *Bidder*—continued.

fairly?—Yes. I do not think that the price ascertained in that way is a fair price for the undertaking, and as a rule it is known that they get very large awards, and what I confess I believe are prices which the municipality ought not to have to pay.

2800. You are aware that almost without exception in every case of compulsory purchase of water and gas undertakings by corporations the purchase has gone on under the Lands Clauses Act as provided in that clause?—If you say so I will take it from you; it is a matter which I cannot speak of.

2801. I will put to you a question which an honourable Member put to you some little time ago, but which you did not directly and completely answer. Putting aside the question of this special clause and simply enacting as in that clause I have just read to you that the terms are to be settled by arbitration under the Lands Clauses Act if the parties do not agree, would you as a lawyer assert that there are any considerations which are legitimately proper to give effect to in determining the value, which an arbitrator could not consider or would not be entitled to consider?—He would be entitled to consider everything that went to his view of what was meant by "fair and reasonable value."

2802. I beg pardon, there is no question of fair and reasonable value; you are always running off on that side line. Allow me to point out, so that there may be no mistake; I noticed some ambiguity when the honourable Member asked you the question; if you say the purchase is to be simply according to the Lands Clauses Act, there are no words in that Act about "fair and reasonable value"; it simply says you are to purchase, and if you do not agree it goes to the arbitrator. I agree in this clause you have introduced some unusual words, "fair and reasonable value," and those words would have to be construed either by the arbitrator or the courts. I do not want to go into that, because Mr. Pember went into it. I want to put the question to you again which an honourable Member put to you some time ago. Putting aside all these special clauses and simply referring the matter under the Lands Clauses Act, will you venture to say that as to any matters which legitimately ought to be considered in assessing the value the arbitrator would not be entitled to go into them?—I repeat my answer, leaving out the objectionable words. I say this, if he considered that the value was the value in the market he probably would exclude most of the things that we consider he ought to take into consideration, and it would be quite open to him to consider that by the compensation which he was to give under the the Land Clauses Act he was to give that which could be got by the sale of shares or debentures in the market.

2803. I will ask you upon that answer, have you any experience of your own to refer to or any decision or authority which justifies the suggestion that an arbitrator under the Land Clauses Act would be entitled simply to look at the value of the shares in the market and to exclude all considerations properly pertinent to and affecting the real value of the undertaking?—To

Mr. *Bidder*—continued.

—To the best of my knowledge there is no case either one way or the other.

2804. I beg pardon, there are thousands of cases the other way——

Mr. *Balfour Browne.*] You must not say that.

Mr. *Bidder.*] Must not I, after all the cases I have been in?

Mr. *Balfour Browne.*] I object to your stating it.

Mr. *Bidder.*

2805. (To the *Witness.*) You said very properly your experience had been principally in other directions, but you have been in compensation cases, as I know very well?—Yes, we have met very often.

2806. Did you ever hear of a case, or did you ever know of a case, in which it was claimed or sustained by an arbitrator that in assessing the value of an undertaking which was held in shares he was to look at the market value of the shares and exclude all other considerations?—One must go by analogy with regard to that.

2807. No, one must not go by analogy. I ask you a plain question of fact. I challenge you, because I say, as a lawyer, that the opinion you are putting before the Committee is totally unfounded, and, therefore, it is right I should ask you, do you know of any case, either in your own experience or in any reports or text books, or in any decisions of the judges, that supports the contention that an arbitrator might so deal with such a case?—I feel satisfied that there is no case reported either one way or the other, but from what I know in Lands Clauses compensation cases, in which I think I may fairly say I have had a large experience, value in the market is perpetually put forward, and contended for by the counsel for the claimant as being the deciding rule, and in this case it would be quite open for counsel to contend that what was meant was the sum total of the purchase money of the shares, and the very fact that there is so much contention here against putting these words in makes me more convinced of the danger which led us to put them in.

2808. Let us clear that up, because I too have been in compensation cases. When you say the question of value in the market is put forward you are talking of the ordinary case of purchase of land?—Quite so.

2809. In which it is usual to give evidence to the arbitrator of what land in the neighbourhood is fetching as evidence of the value of that particular land?—Yes.

2810. That is a totally different thing, to begin with, from taking the market value of shares as being conclusive evidence of their value, is it not?—I quite agree; but the Lands Clauses Act was primarily made for such purpose.

2811. As we are going to use that as an analogy, a claimant, having given evidence of the price of adjacent plots of land as helping him, as a matter of fact probably you will recollect it is the invariable rule in such cases, not

Mr. *Bidder*—continued.

only that he cannot give that evidence, but it is not conclusive.

Mr. *Balfour Browne.*] It is not an invariable rule.

Mr. *Bidder.*

2812. (To the *Witness.*) Do you know that the usual rule is that the claimant must not give evidence of the price of particular plots of land as supporting his view?—I will describe to the Committee if you like the formalities that are gone through to get it in. The witness says, "I have sold plots in the immediate neighbourhood, and from the prices realised on those plots I can say that so-and-so is a fair price." Then either the cross-examining counsel must go into it, or there it stands. The rule is not that you may not give evidence as to the prices which have been obtained for plots in the neighbourhood, but you must not refer to specific cases, you may give general evidence based on those things. The consequence is it generally comes out in cross-examination instead of examination-in-chief, but it is very important evidence.

2813. I am not going to quarrel with that statement of the practice, but that shows that the conclusion that you want to draw from that, that an arbitrator would be bound to be precluded by what was the market price of the shares is a very distant one, and hardly justifiable. But let me ask you upon it another question which is more important. Do you suggest to the Committee, because that is the analogy, that when the claimant has put before the arbitrator evidence of the kind you have been describing based on the value of land in the neighbourhood that the other side are not allowed to go into considerations that depreciate the particular plot of land which is being bought?—Certainly.

2814. You agree that they are allowed?—Yes, but in order to draw distinctions between the cases which have been referred to in the neighbourhood and a particular case, with regard to sale of shares, it would be the sale of the identical thing.

2815. Do you know in cases in which the other side have not been allowed to go into relevant considerations which tended to show that the particular property being bought is of lessened value?—Certainly not; they are of course allowed to do that.

2816. We are agreed that under an ordinary arbitration, under the Lands Clauses Act, the purchasing side would be entitled to go into any question which affected or diminished the value of the property?—Yes.

2817. Yet you told my learned friend, Mr. Pember, or rather suggested, that an arbitrator may be a fool to do so?—I do not think I did.

2818. But if he were a fool and acted foolishly, and if by any chance an arbitrator declined to give weight to any consideration that he ought to give weight to in assessing the value of an undertaking; if for instance, he showed any inclination to say I am going to be guided by market value, and I am not going into the future liabilities of the company, or the state of their property, and so on, you would have your remedy,

Mr. *Bidder*—continued.

would you not, at once?—It is very difficult indeed.

2819. Not a bit?—Excuse me, it is very difficult, and that I speak of from my own experience. But the most serious point I do not think you have touched upon, and that is this: There would be the same ambiguity as to price to be paid, before the court, as there was before the arbitrator. I say that in this matter, which is not an ordinary purchase of land—a thing perpetually dealt with under the Land Clauses Consolidation Act—that that which he is to value ought to be defined as well for the court as for the arbitrator.

2820. I do not want to go into that; Mr. Pember has done that. You are coming back to your old point; you will not discuss it as I am discussing it, as an ordinary purchase under the Lands Clauses Act, but you will bring in your fancy clause, which you have introduced and invented for the first time. I am discussing it, assuming that this Committee, instead of adopting your fancy clause, were to make this (following the precedents that are so innumerable in similar cases) an ordinary purchase under the provisions of the Lands Clauses Act, and I put to you this question: Supposing by any chance the arbitrator or umpire was stupid or obstinate, and refused to hear evidence, or go into considerations which you considered were proper and legitimate considerations, or indicated an intention to be guided by market value, would not you have your remedy under the Arbitration Act?—If he rejected evidence improperly you could go to the court. If the court took the view that it was intended that it should be market value, then he would be right to reject evidence which went to other issues, and I say therefore it ought to be made perfectly clear what the issue before the arbitrator is.

2821. That is what you told Mr. Pember; that you cannot trust any court of law to say what is a proper element of value unless you instruct them?—With all due respect, if you leave a thing ambiguous and doubtful in an Act, a court or an arbitrator, or any person deciding it, may take one view or may take another, and I understand the object of this clause is to make it clear what the principle of the price is.

2822. In point of fact you want to make it impossible for any court, even the House of Lords, if it went there, to take a view of what is the value of the concern other than the view the County Council has taken of it?—No, other than what the Committee says is the fair price.

2823. What the London County Council suggest to the Committee as the proper limitation of value. I want to get this before the Committee; the Arbitration Act of 1889, which you are familiar with, is applicable to the Lands Clauses Act, is it not?—Yes.

2824. And you know that under the 7th Clause of that Act it is competent for an arbitrator or an umpire to state his award as to the whole or part thereof in the form of a special case for the opinion of the court?—Yes.

2825. And so bring any legal question of principle before the Court?—Quite so.

Mr. *Bidder*—continued.

2826. But that is not all. If he is obstinate, or stupid, or refuses to do anything of the kind, it is in the power of either party to get an order from a judge, and compel him to refer the matter to the court, is it not; let me read to you Clause 19?—I am not quite certain whether that refers to interlocutory proceedings or final proceedings.

2827. It would be interlocutory; it is before he has made his award. Let me read the clause and you will have it thoroughly in your mind: "Any referee, arbitrator, or umpire, may at any stage of the proceedings under a reference, and shall, if so directed by the court or a judge, state, in the form of a special case for the opinion of the court, any question of law arising in the course of the reference." Under that provision, supposing you contended before the arbitrator that he ought to take into consideration some question, be it the repair of the reservoirs or the future prospects of the company, or the legality of their charges, or whether they have been charging the public more than they ought, or competition, or any other question; and it was contended, on the other side, that the arbitrator ought not to take it into consideration, you would have the power to ask the arbitrator to refer the matter to the court, and if he declined to do so, you could go to a judge in chambers and get an order that he should?—If the judge, gave it to you, yes.

2828. Therefore at any time you would have it in your power if the arbitrator showed signs of going wrong to go to the court and get a decision?—Yes.

2829. And, further, as you have said yourself, after he has made the award if he has improperly rejected evidence——?—No.

2830. You said so yourself?—No, I did not. That clause to which you refer is very unsatisfactory, for this reason: you cannot deal with very important questions in that way, because it has been held that that is merely consultative, and there is no right of appeal.

2831. I think you are right there, but he is entitled to state his award itself in the form of a special case?—Yes.

2832. Then there is a right of appeal?—Yes, then that is effective.

2833. And the utmost thing which is necessary to protect you in that respect, having reference to the magnitude of the case, would be a provision, not only that he might state his award in the form of a special case, but that if asked by either party he should state it in the form of a special case?—I beg your pardon, none of these things get rid of an ambiguity which exists in the Bill.

2834. Now you are coming to your old favourite topic of the "fair and reasonable value"?—No; I say we ask that the principle upon which the price is to be assessed should be made clear in the Bill. If you leave it ambiguous in the Bill, you do not make it less ambiguous by getting a decision of the court, or arbitrator, or anybody.

2835. In

Re-examined by Mr. *Balfour Browne.*

2835. In the first place, to deal with the last matter cross-examined about, that clause from the Arbitration Act Mr. Bidder read which gives power to the arbitrator to consult the courts, has been in certain cases, such as the Kirkleatham case, for instance, held to limit the application to the Court of First Instance?—Yes.

Chairman.] What would be the Court of First Instance?

Mr. *Balfour Browne.*

2836. The Court of Queen's Bench, consisting of two judges sitting as a divisional court. You could not get beyond that. (To the *Witness*). As an illustration, do you know the tramway case?—Yes, well.

2837. Is it a fact that that difficulty prevented your consulting the Court of First Instance, and you induced the arbitrator to put it in a final form?—Yes, in an important matter you could not trust to that at all.

2838. The Divisional Court in the Tramway case was set right in the Court of Appeal and in the House of Lords?—Yes; their decision was over-ruled in both places.

2839. And you would have lost, and would have had to pay an enormous amount to the tramway companies, which the Court of Appeal and House of Lords held that you ought not to pay, if you had gone under the section my learned friend has referred to?—Yes, and there the point was, and the issue was, what had to be valued, and whether it was intended that it should be valued structurally, or whether it should be valued as a business. The Court of First Instance took the view that the Act meant it should be as a business, the Court of Appeal and the House of Lords took it that it was intended to be valued structurally.

Chairman.] I think we understand that.

Mr. *Balfour Browne.*] Supposing the other alternative were taken, and the arbitrator were to make a final award, could such an award in a case of this sort be properly made. Would there not be, or might not there be, fifty different alternatives?

Witness.] If it was a question of real ambiguity of the Act, I do not think it could be set aside on appeal, even if it was stated in the special case.

Mr. *Balfour Browne.*

2840. If there is a real ambiguity, of course, after all, the courts can only cut the knot, they cannot solve it?—No.

2841. What you desire to do is that Parliament should declare what the fair and reasonable value is?—What the principle is, yes,

2842. If we cannot make out that this clause is the proper way of arriving at the fair and reasonable value, then, of course, we fail?—Quite so.

2843. If, on the other hand, it is a proper basis of finding out the fair and reasonable value, then we ought to succeed?—Yes, and it is much better in any case that it should be defined in a clause and not left to the accident of the view of an arbitrator, or the view of a court, or words which do not define it.

Mr. *Balfour Browne*—continued.

2844. My learned friends have suggested that there should be an arbitration under the Lands Clauses Act. I think no one knows better than you what the preamble of that Act says, "And this Act shall apply to every undertaking authorised in any Act which shall hereafter be passed, and which shall authorise the purchase and taking of land?—Yes.

2845. That is the primary object of the Lands Clauses Act?—It is, certainly.

2846. "For such undertaking this Act shall be incorporated with such Act, and all the clauses and provisions of this Act save so far as they are expressly varied or excepted by any such Act shall apply?"—Yes.

2847. Therefore the very contemplation of the Lands Clauses Act is that the Special Act may vary any special cases?—Yes, certainly.

2848. Is there so far as you know any general law (my learned friends have talked about the general law) applicable to the purchase of such undertakings as the London Water Companies?—No, there cannot be a general law. This is an application for a Special Act to purchase at what we suggest to the Committee is a fair price, and the issue is whether it is a fair price, and that has to be decided by this Committee. There is no general law of any kind.

2849. And the Lands Clauses Act cannot be adapted to these companies unless you distort the meaning of the word "lands"?—It certainly had not any case like this at all in its purview.

2850. My learned friend Mr. Pember said: Would not an arbitrator be a fool if he took repute value? You know that in various petitions here the companies set forth this argument to Parliament, that shares have been purchased at the market value?—I am satisfied that if it is left ambiguous merely under the Lands Clauses Act, and that whatever happens in this room there will be the very strongest contention on the part of the companies that that means you are to take it for the sum total of the prices that can be obtained for the shares in the market. I have not the slightest hesitation in saying that that will be done.

2851. And as I understand the offer we make, which we ask Parliament to say is a reasonable offer, is that we propose to purchase on fair and reasonable terms, and no other?—Quite so.

2852. If we cannot make out under this clause that the terms are fair and reasonable, then of course Parliament would not allow us to purchase upon unfair or unreasonable terms?—We are not to be accused of trying to get it at an unfair price, because we put quite clearly, or as clearly as we can in the clause, what we suggest is the fair price, and what we ask Parliament to accept as the fair price.

2853. Some of the suggestions made in cross-examination are that an arbitrator would consider all these things. If that is so, do you see any real objection to having that made perfectly clear in this clause?—No, I think that the strong opposition to the defining of this principle as the principle of ascertaining the price shows that it is going to be contended that that is not the fair price,

Mr. *Balfour Browne*—continued.

price, and we ask that the Committee should decide the principle on which the price is to be taken.

2854. And the Lands Clauses Act simply means they would get a good deal more than that?—Certainly, more than we consider to be a fair and reasonable value, and what we have put before the Committee as suggested.

2855. Now a word with regard to the proviso. It is provided that only six years of back dividend should be allowed?—Yes.

2856. You admit that that is to some extent altering the status of the companies?—Yes, it is treating some of their rights as obsolete, I quite agree.

2857. Also with regard to saying we shall not take any future increase of rateable value, that treats some of their existing rights as unfair for consideration by the arbitrator?—Yes.

2858. Upon these matters of course we must convince the Committee?—Certainly.

2859. And that it is right they should be excluded?—Yes.

2860. If we fail again, of course the Committee would not allow us to say the arbitrator should consider them?—It is certainly for the Committee to say whether the price so ascertained would be a fair one.

2861. And if we cannot convince the Committee, of course they will not allow us to buy at what is unfair and unreasonable?—Quite so.

2862. The sole desire on the part of the London County Council is to buy at a fair and reasonable price?—Quite so.

2863. And ought that to be fair to the companies?—I think it is fair to the companies; I think the price they would get under an award on the basis of this clause would be, taking all the circumstances of the case into consideration, a fair and reasonable value.

2864. Mr. Littler asked you if you knew of any special directions to arbitrators in either general or special Acts. You are very familiar with the subject of betterment.

Mr. *Bidder.*] No one asked about that.

Mr. *Balfour Browne.*] I assure you you are mistaken in saying no one asked about that.

Chairman.] What was the question?

Mr. *Balfour Browne.*] The question I was suggesting Mr. Littler asked was, if Mr. Fletcher Moulton knew of special directions in any special Act or public Act, and at first Mr. Moulton's answer was, "I do not know of any in a special Act," and then he ultimately said he did not remember in a public Act; I think I am right in saying that.

Witness.] No, I did not say that with regard to a public Act for I can remember cases.

Mr. *Balfour Browne.*

2865. Are you familiar with the case of betterment?—Yes.

2866. Are there special instructions in that case?—There are special instructions in that case certainly, but, as I say, there are special instructions in the Artisans' Dwellings Act also.

2867. Therefore the principle of instructing an arbitrator is not at all unknown to Parliament?—No, you must give such instruction as prevent the issue being ambiguous.

Mr. *Balfour Browne*—continued.

2868. Will you turn to page 238 of the proceedings where there is a question which I will ask you to consider; my learned friend said, "Would not an arbitrator, unless he were a fool or a knave, be bound to consider the condition of the works"; as you see there there is a certain company, the West Middlesex, which is dividing its maximum dividend?—Yes.

2869. So long as it can divide its maximum dividend, would not the contention before an ordinary arbitrator be that that was the element which was to be compensated for?—Yes, certainly.

2870. Will you read Question 1744 and see if you agree, because I think that is the shortest way; the question is this, "There is just one point that I want to make perfectly clear, because I think it is in the minds of one or two members of the Committee, there are some of these matters that by admission an arbitrator, even if he were not instructed, would consider; for instance, take the simplest case, the condition and state of repairs of the reservoirs; he would consider that, whether he were instructed or not, or at any rate, I think so; why do you put the instruction to consider it into the clause"; the answer is, "May I for the moment answer that question by reference to the case of the West Middlesex Company, which, I think, illustrates what I mean; if the West Middlesex Company contend that they may without reference to these pledges always charge their maximum rate, the condition of the waterworks does not matter the least in the world, because the West Middlesex Company, if they charge the maximum rate, can charge, we will assume, 200,000*l.* a year, that is their income; as a matter of fact they cannot charge now more than 150,000*l.*, because that is enough to pay all their charges and give them 10 per cent. upon their dividend; now, supposing that the undertakings of the company were in such a state that an additional million were required to be spent upon the undertaking, the whole interest of that million might, under the present contention of the West Middlesex, come directly out of the pockets of the consumer, and not affect the West Middlesex Company by one brass farthing; because if they enforced their maximum rate throughout their whole area they would have to increase their rate, and by that means they would get enough additional income to pay the additional expenditure whatever it might be, and to pay their 10 per cent. in addition; in that case the efficiency of the works, from the company's point of view, would not enter into consideration at all, because, however inefficient they might be, the companies would contend: if we are allowed to go before an arbitrator under the ordinary system of the Lands Clauses Act, we shall just show that we can simply, by raising our charge, still maintain our 10 per cent. dividend."

2871. Do you agree with that, Mr. Moulton?—Yes, it seems to me to be so.

2872. I have only two more questions to ask you; one of the instructions is, that the arbitrator should take into consideration the probability

Mr. *Balfour Browne*—continued.

bility of future sources of supply, or the necessity of the future sources of supply; and the other is that he should have consideration with regard to the pledges that were given by the companies through their counsel in the year 1852, without such a special instruction under the ordinary arbitration under the Lands Clauses Act?

Mr. *Pope.*] What are you referring to?

Mr. *Balfour Browne.*] The circumstances under which such powers of charge were granted by Parliament.

Mr. *Pope.*] I do not find anything about pledges.

Mr. *Balfour Browne.*] You have not been here, you see.

Mr. *Pope.*] Yes, I have; and having been here, I am surprised to find how matters have been alluded to.

Mr. *Balfour Browne.*

2873. The Committee are almost tired, I am sure, of hearing of the pledges which were given by Serjeant Wrangham. (To the *Witness.*) Upon this do you think an arbitrator would be entitled without instruction to go into them in a general arbitration?—No.

2874. And if he did, in your opinion would the award be set aside for want of jurisdiction?—You are not dealing with the actual question of procedure?

2875. No?—He could be stopped from doing it, and if the award had been given in a form in which it could be challenged, it could be set aside. Of course it would not follow you could set it aside if you had not taken the precautions to enable you to do it. What I mean is this: supposing an arbitrator is going to accept evidence on a matter which he should not, according to the existing law, I think (I will not be quite certain, since it has been suggested I am wrong in this) you could not wait until after the award, and then grumble; you would have to take steps to prevent his doing it; so that when my learned friend asked if the award could be set aside, I meant that might not be the form in which you could stop his doing it.

Chairman.

2876. But only by taking the opinion of the court upon it?—Yes; but I say without some directions the court would probably hold that that was not part of the issue before him.

Mr. *Pope.*] What?

Mr. *Balfour Browne.*] These two questions I have put; the probable necessity of the future introduction of a new source of supply and the circumstances under which they got their charges.

Witness.] I think I can get rid of any ambiguity in this way: if those are not referred to in this clause, I think an arbitrator would rule, and I think the court would support him in saying that they could not be considered.

Chairman.

2877. On what ground?—Because under the mere words, "fair and reasonable value of the undertaking," you could not consider those things.

2878. Would that be because the arbitrator and the Court of Appeal from the arbitrator would hold that they were not fair matters to be taken into consideration in considering the fair value?—Yes; I think they would say if the Legislature had intended matters like that to be taken into consideration, there would have been a specific direction.

2879. But I mean to say the ground on which they would hold that would be because, *primâ facie*, in the absence of instruction, they would consider it was not a fair matter to be taken into consideration?—Yes.

2880. Then, am I right in supposing that what the County Council desire is that the Committee here should import into the decision of what price these companies are to get for these undertakings, an element which an arbitrator, however well informed and however eminent, and supported by a court of law, would hold under these circumstances was not a fair thing?—Would hold that if it was a matter which if it was intended to be considered should be referred to.

2881. And if not referred to would not be a fair ingredient to take into account?—Would not be germane to the issue.

Mr. *Balfour Browne.*

2882. The only word I ask you to consider is the word "fair." Neither the court nor the arbitrator have any power to consider what is fair; they have only to consider the submission to arbitration?—Yes.

Chairman.] But surely you do not mean to contend that the arbitrators, who by your clause are directed to determine "the fair and reasonable value," having regard to all the circumstances, are not to have regard to all the circumstances of the case with the view of fixing a fair price.

Mr. *Balfour Browne.*] I think, sir, if these words stood alone, they could not consider future sources of supply.

Chairman.] Excuse me, that is not the point. What I was asking was, why would an arbitrator or a court refuse to take these things into consideration, and, if they refused to take them into consideration, whether it would be on the ground that, in the absence of a direction to that effect, they would not consider it a fair matter to be taken into their judgment in fixing a fair price. As I understood, Mr. Fletcher Moulton assented to that.

Witness.] If I may make myself perfectly clear, they would think that if it was to be purchased at what was the fair and reasonable value of the undertaking, and no direction was given with regard to such things as unfulfilled pledges, the court might say, "Had it been intended that unfulfilled pledges should be taken into consideration as a circumstance so exceptional it would have said so specifically;" and therefore they would say that "fair and reasonable value of the undertaking, in the absence of a specific direction, we must suppose would not take into consideration such things as unfulfilled pledges given before a Committee."

Chairman—continued.

2883. Why not?—Because I think they would consider if it had been intended that the value was to be taken not in the existing state of legislation, but assuming that the company had acted up to the pledges it gave before the Committee, since those do not bring in legal consequences at present in force

2884. I understand that part of your answer quite well; but here is an arbitrator assumed to be of the highest eminence, and assumed to be thoroughly informed on all matters, the parties on each side having the opportunity of calling upon him to receive evidence upon all matters, deciding that in a certain matter he will not accept evidence, and you have to go to the court, and the court says the arbitrator was right in deciding that that matter should not be taken into consideration amongst what is called in this Bill "all the circumstances of the case." I say why? I have suggested—I am not talking now of the absence of instructions—it would be because they held that that was not a proper ingredient to be taken into account in the absence of instruction for the purpose of fixing a price?—You put it exactly as I wish to put it, but may I add one word, because they would say this: "Although those pledges may be things which Parliament would enforce legally they have no effect, and the consequence is, if you are going to take into consideration that which Parliament might enforce, but which at present is not embodied in the law, you must have a specific direction for that purpose."

2885. That is to say, that this Committee, or Parliament under the instruction of this Committee, is to put into the mind of the arbitrator the entertaining of this ingredient in the price to be paid, which in the absence of such an instruction the arbitrator, the umpire, or the court would consider an improper thing to be taken into account?—Exactly so; that is exactly what the clause asks with regard to this point.

Mr. *Balfour Browne.*

2886. I agree, with this qualification. Not improper to be taken into account, but which the court could not take into account?—In the absence of express instructions.

2887. Not that they were judges of the property, but that they could not do it however willing they were?

Chairman.] No, you are getting away from the point—that is not what the witness has said. I put the question fairly to him. Here there are apparently unlimited words. The arbitrators are to take into consideration all the circumstances of the case. A circumstance is suggested to them, they refuse to take it into consideration. The court supports them in refusing to take it into consideration knowing that the arbitrators have the power to take into consideration all the circumstances of the case. Then I put it to the witness that if it is rejected by the arbitrators and the court it must be because they consider the ingredient an improper one to be taken into account in fixing the price. Then I ask him, is not the effect of his evidence that, by adopting these conditions, and putting them into the Bill, or keeping them in the Bill, the Committee would be doing for the County Council, for the purchasers, a thing which they could not get the arbitrators otherwise to do for them.

Mr. *Balfour Browne.*] Not under those words: "All the circumstances of the case." I understood Mr. Moulton to say, if they stood alone, would be held to mean "all the legal circumstances of the case."

Mr. *Pope.*] It does not say so.

Mr. *Balfour Browne.*] I may say if that is not my learned friend, Mr. Moulton's, view, it is the view of Vice-Chancellor Wood, in the case of Penny *v.* Penny, where he says: "The scheme of the Act stated to be this, that every man's interest shall be valued *rebus sic stantibus*, just as it occurs at the very moment when the notice to treat was given."

Chairman.] First let me say, as I understand, this is not a matter under the Lands Clauses Act.

Mr. *Balfour Browne.*] I know that, sir.

Chairman.] The learned counsel have contended that it ought to be, and I was asking my question upon the Bill as it stands.

Mr. *Balfour Browne.*] I follow that.

Witness.] May I say, in order to make my answer quite clear, that it comes to precisely the same as what you have said. The Courts would say that all the circumstances of the case would mean all the legal circumstances of the case, and a thing which has no legal effect you are not entitled to, and therefore, if I might put it so, has no legal existence. You are not entitled to consider it. That is what the Court would say with regard to such a thing as an unfulfilled pledge enforceable only by Parliament, and having no status either in legislation or in any other way. A thing without a sanction would not be, in my opinion, included in the words "all the circumstances of the case."

Mr. *Balfour Browne.*

2888. One word more, and then I have done. Under these circumstances we want to show Parliament, do we not, that it is right and reasonable that that unfulfilled pledge should be taken into consideration?—Yes.

2889. If we fail in that, of course Parliament will not give the instruction: but if we can convince Parliament it is right that that unfulfilled pledge should be considered, then do you think it necessary that there should be an instruction to that effect?—I think it is quite necessary that if that should be taken into consideration as one of the circumstances of the case, there should be a specific direction. Whether it is necessary or not is, of course, for the Committee to decide; but I may say in all these things that I think the object of this clause is to remove ambiguity, and if the terms removing those ambiguities are not what the Committee sanction they will have to be altered; but it cannot be to the benefit of any person that ambiguity should be left in a clause of this kind. The principle upon which the price is to be ascertained appears to me to be a thing that ought to be settled, if I may respectfully say so, by the Legislature, and then the arbitrator is to turn that into figures. It is not the arbitrator's view as to what the principle of the price is to be which I think ought to decide this matter; but it

Mr. *Balfour Browne*—continued.

is the view of the Legislature, and that then he is to turn into actual amount that which the Legislature says is to be the price to be paid.

The Committee Room was cleared.

After a short time the counsel and parties were again called in.

Chairman.] Of course we cannot go further to-day; but it is the desire of the Committee, in answer to an application which was made yesterday by Mr. Balfour Browne, that if he desires it, or any of the learned counsel, on behalf of the promoters, desire it, we will hear them at the next meeting of the Committee, if they choose, in support of the views put forward by Mr. Fletcher Moulton, or rather in support of that part of the case generally.

[Adjourned to Wednesday, the 12th of June, at 12 o'clock.

Wednesday, 12*th June* 1895.

MEMBERS PRESENT:

Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Burnie.	Mr. Briggs Priestley.
Sir James Kitson.	Right Hon. D. Plunket.
Mr. Muntz.	Mr. Philip Stanhope.

THE RIGHT HONOURABLE D. PLUNKET, IN THE CHAIR.

Chairman.] IF you like, Mr. Balfour Browne, we will go on; but we are not a very large Committee.

Mr. HENRY LAWRENCE CRIPPS; recalled.

After the witness had corrected some errors in his evidence as then printed,

Mr. *Littler.*] THERE is a somewhat more important correction I should like to make, and that is this, with regard to a discussion which took place, ending at page 121 of the Notes. You will see that there is a history given by Mr. Cripps of what took place before the Committee in 1852. I do not need to trouble the Committee to read it now. At page 118, Mr. Cripps commences what would appear to be a complete history of what took place in the year 1852. It goes over pages 119, 120, and 121, and at last it culminates in a very short question and answer, about the only short one there is; by the way, at Question 1723: "As I understand you gather from that, that it was upon these distinct pledges that the companies got the maximum powers they have?—Yes." Then Question 1724: "Distinct pledges that these rates were not to be charged in all instances, and also a distinct pledge that there was to be free competition?—Yes. You see the pledge was that it should be a maximum rating in certain extreme cases, but to be receded from in the majority, probably, of instances." Then Question 1725: "If since that date they have forgotten all about their pledges and have charged their absolute maximum, do you think that they should be paid upon the basis of their absolute maximum, or do you think that the arbitrator should consider their pledges?" This is why it becomes important at this particular stage. The answer is, "I think that the arbitrator should consider whether he is to assume that an income derived from charging the maximum rate in all cases is one which he ought fairly to take into consideration, or whether he ought not, on the other hand, to give effect to the pledge given by the companies, and treat the statutory maximum income which these companies might levy as resulting from a rate which ought to be receded from in the majority, probably, of instances." Then Question 1726 is, "Supposing these Purchase Bills out of the way altogether, do you think there would be a reasonable probability of a public authority promoting a Bill to say, you have forgotten your pledges, you are charging up to your maximum, and we ask Parliament to alter your maximum and prevent your charging such high rates?—Certainly; that is a point which has been very strongly pressed on the London County Council even now as a preliminary to a purchase." Then there was an objection taken to any prophesy as to what Parliament would do; but what is of the greatest importance is this, that all these statements were made by the Counsel for the company, and Mr. Cripps has very unfortunately omitted to say what the Committee did upon them. The assumption, from what you have heard me read, would be that Parliament had accepted the companies' view, and, relying on a pledge that they would not charge their maximum, had given them a higher maximum than they otherwise would; but Parliament did no such thing.

Chairman.] Is this a proper time to introduce this?

Mr. *Littler.*] Yes, because this is one of the reasons which is given why you should pass this extraordinary clause, and therefore, as that statement was made, I read the last answer for the express purpose of showing that it was for the purpose of passing this clause that that evidence was given. We had not the materials for cross-examination then, and we have only been able to look them up by looking at the proceedings of the House, which are exceedingly scarce, and we now find that you have not got the whole history before you.

Chairman.] I am only trying to see what is the usual practice. As I understand, Mr. Cripps has been recalled for the special purpose of correcting a mis-statement.

Mr. *Littler.*] Yes, sir; then I ask to correct something else formally. I should ask you to allow

allow Mr. Cripps to come back into the chair, and ask him, by way of further cross-examination on matters of which we could not be informed, whether he was aware, at the time he gave that evidence, of those further proceedings before that same Committee. But inasmuch as there can be no doubt about the fact, I should have thought the easier way would have been for me to read these proceedings.

Chairman.] It is only a question of practice really, but it is so long since I presided on a Committee, that I am not quite sure what the practice is, but I should have thought that that would have been rather a matter for you to bring out at some subsequent stage.

Mr. *Pember.*] No, sir. Suppose the Bill collapsed by any chance. It would be quite within the ordinary practice to call Mr. Cripps back and cross-examine him upon a point upon which we had not the material for cross-examination then.

Chairman.] Oh, yes.

Mr. *Littler.*] That is all I propose to do.

Chairman.] The only question is whether this is the right moment for doing it. It is just a question of practice. If you will wait for one moment, I will consider it.

Mr. *Littler.*] You see, sir, in form, all I am asking to do is to supplement my cross-examination, confessing that for reasons which were no fault of my clients any more than of my own, I was in ignorance of certain matters on which I desire to cross examine Mr. Cripps; therefore it is almost as a matter of right I ask that Mr. Cripps may now be further cross-examined.

Chairman.] Very well.

Mr. *Littler.*] Then, perhaps, Mr. Cripps, if he has any explanation to give after I have read these passages to him, will do so.

2890–92. Have you any copy of the proceedings of May 1852 before you?—There is one in the room.

2893. May I refer you to the proceedings of Tuesday, the 4th May, commencing at page 467 of the Chelsea Waterworks Bill, in the speech of Mr. Serjeant Wrangham, which you quoted?—That is a speech of Mr. Serjeant Wrangham.

2894. Now kindly turn to page 472. You will find he winds up with these words: "I hope you will be kind enough to come to a decision on the provisions of our Bill, so that you may report the Bill to the House, and that it may proceed towards the other branch of the Legislature, in order that we may obtain the authority which will enable us to set to work and to improve the supply to the district which we are bound to furnish with this element of life." Then, I suppose, the room was cleared, because then follows the words: "The Committee deliberated." Then there is this judgment of the Committee, which this Committee have not yet had before them: "The Committee are quite ready to enter into this subject of rating without waiting for the other Bill. We are quite willing also to state to you the opinion which the Committee have formed upon the rates, and to submit it to your consideration. In the first place there will be

Mr. *Littler*—continued.

two lines struck out" (this is in inverted commas). "'If there be no water-closet, fixed bath, or high service in the dwelling-house, to be supplied with water at the following rates.' That will come out." So that, you see, that was one of the maxima which was sought for, which was destroyed, was it not?—I was talking about the maximum rate which the company were empowered to charge for domestic purposes.

2895. Kindly answer my question. One of the maxima sought by the Bill was struck out by those words, was it not?—Are you referring to the point where they reduced the original proposal?

2896. I am simply reading one by one the Committee's decisions, of which there are half-a-dozen, reducing themselves the maxima which the companies sought to have imposed, and in respect of which they had given their pledge. That is the first, is it not. "That will come out?"—Yes.

2897. Now I will read the words: "With respect to the words, 'where the annual value of such house shall not exceed 50*l.*, at a rate per cent. per annum not exceeding,' we propose to leave out the words '5*l.*' and to insert instead '4*l.*'" ?—Yes.

2898. That is a distinct reduction of the maximum?—Yes, as proposed in the Bill.

2899. But surely it was on the Bill as proposed that Serjeant Wrangham spoke, and on nothing else. Now I go on: "'Where the annual value of such house shall exceed 50*l.*, but not exceed 100*l.*, at a rate per cent. per annum not exceeding,' we propose to insert '4*l.*' 'Where such annual value shall exceed 100*l.*, but shall not exceed 200*l.*, at a rate per cent. per annum not exceeding 4*l.*' That we retain at 4 per cent. So that those three rates will all be 4 per cent." Then "we propose in all the following cases to put the rate at 3 per cent." Another reduction, was it not?—Yes. No doubt that was a reduction from what was in the Bill as originally submitted to the Committee.

2900. Very well. "We have reduced them to the two rates of 4 per cent. and 3 per cent. Then we go on: 'If there be a water-closet or water-closets, or fixed bath or baths, or any high service in such dwellings then, in addition to the rates above specified, the following rates shall be payable; that is to say, where the annual value of such house shall exceed 25*l.*, but shall not exceed 50*l.*,' we propose to substitute 'where the annual value of such house shall exceed 30*l.*' instead of 25*l.*," that was another alteration, was it not?—Yes.

2901. On that Mr. Serjeant Bellasis, representing the company with Mr. Serjeant Wrangham, says: "Perhaps, sir, you will allow us time to consider those amendments. (The *Chairman.*) If you please. Perhaps you will be prepared to state anything which you may have to say upon them to-morrow." That was a distinct alteration from the status and position of the Bill, was it not, when Serjeant Wrangham was making his speech?—Of course, it was an amendment of the Bill; it was an alteration of the Bill as submitted to the Committee.

2902. It was very important the Committee

Mr. *Littler*—continued.

should have known that?—The Act I may say passed subsequently, and the Act speaks for itself.

2903. But when you talk about pledges given in Serjeant Wrangham's speech, I say with emphasis, that the pledges were given on condition of having the Bill as it stood. The Committee took the Bill not as it stood, but altered it, and altered it so seriously that the company had to take a day to see whether they would accept it at all. That is very material, surely. Now, will you kindly look at the proceedings on the next day and see what happened then, which is more material. This is page 477 of the print: "(Mr. Serjeant *Bellasis.*) With the permission of the Committee, I will recur once more to that very serious question upon which the Committee were occupied when they adjourned yesterday. That is, the question of the rates, which you were then good enough to suggest to us. With your permission I will, in order that we may be quite sure that we understand what the Committee intended, refer to the clause, passage by passage." Then he does so. I need not read that again. Then he says: "Since the Committee adjourned yesterday, as you may suppose, upon so serious a proposal as this, the Chelsea Company have given the proposal their most serious and careful consideration. It is plain, and no doubt the Committee will themselves see, that it involves a serious reduction upon their water rental. The question therefore, for us to consider was, whether the reduction of water rental was such (for that is what we applied ourselves to) as would endanger and interfere with, and jeopardise the carrying on of the new works which we are contemplating by this Bill. Accordingly we took the simplest course we could, which was to ask Mr. Simpson" (the same witness Mr. Cripps quoted) "the plain question, not whether he liked the clause you proposed, but whether those rates being determined on by the Committee, he could carry out his works. And Mr. Simpson has answered as simply: 'I can. But,' he says, 'I shall have no margin; I can carry out the works, but at the same time we must look for a further income by the extended works of the company after the new supply has been brought in. He says he can do it, but it leaves him no margin." Where is the pledge there of any reduction from the maximum. Where is the broken promise of the Chelsea Company?—I am going to show you. The whole principle upon which the companies asked for that system of a scale of charges was discussed thoroughly over and over again before this Committee, and there was never any abandonment whatever of what I call the distinct pledge given on behalf of the companies by Mr. Serjeant Wrangham, and by the witness. The words are very clear, if you will allow me to read them.

Chairman.] Read them, Mr. Cripps.

Mr. *Littler.*] Those pledges were given to induce the Committee to pass the Bill as it stood.

Witness.] I do not agree with you at all.

2904. Do you not. I must ask the Committee to agree with me. The Committee did not pass the Bill in the form in which it was when Serjeant Wrangham gave those pledges, did they?—No; in the first instance the position was this: there were two alternative proposals before this Committee. The Government proposed what they called the uniform scale of rating, and a clause was before the Committee which would have bound all the companies to charge according to a uniform scale of a very low nature. What the companies had to do was not only to get their own Bill passed, but to get the Government proposal rejected, and it is quite obvious from the care with which the precise form of this expression is repeated over and over again, that it was a very carefully considered proposition on the part of the companies. Mr. Serjeant Wrangham put it first of all in his opening.

2905. You have said that before; it is clearly only repeating your last answer?—This is rather a complicated question.

2906. No it is not; it is a very simple one?—I do not think so; I think it is rather complicated, because what Serjeant Wrangham says is this: "Is a maximum rating, having reference to the annual value of the premises, correct in certain extreme cases, but to be receded from in the majority probably, of instances, a reasonable mode of rating property to a payment for the supply of water," and the whole thing went on that basis. The principle for which the companies contended, and which they succeeded in getting ultimately was this, that their maximum scale of charge should be put at a figure which was the highest possible figure which could be justified in any conceivable circumstances in the case of any hereditament within their district. That was the principle.

2907. May I again read to you what Mr. Simpson said: "I shall have no margin; I can carry out the works; but at the same time we must look for a further income by the extended works of the company." I ask you after that statement, is there a single pledge on the part of anybody belonging to any company with regard to any coming up to their maximum?—Yes, there is.

2908. Where?—Because Mr. Simpson did not withdraw the understanding or modify it in any way whatever.

2909. "I shall have no margin; I can carry out the works," and I am told by the way that the Government rates had been disposed of long before in the proceedings. One assumes when you came with that history you would come with an accurate one?—I think you will find it quite accurate.

2910. Can you tell me after Mr. Simpson had stated those emphatic words, "I shall have no margin," if there is a syllable by any counsel for any company stating that they were not going to charge up to the full?—You mix a good many things up together. Let me deal first of all with the statement of Mr. Simpson.

2911. Is there any statement of any counsel or any witness of any company after that deliberate announcement, after deliberate consideration by the leading counsel of the Chelsea Company

Mr. *Littler*—continued.

Company; is there any statement anywhere on the part of any of the companies that they were not going to go up to their maximum?—No, because that was the conclusion of the case.

Chairman.] Was Mr. Simpson the manager of the company?

Mr. *Littler.*] He was the engineer to the company.

Witness.] He was the engineer really, but he was a gentleman of great ability, who was put forward in all these cases as a sort of advocate witness on behalf of the companies. There were two companies for whom he was directly concerned, the Chelsea and the Lambeth, I think; I am not quite sure.

2912. The Lambeth Company were not there?—I know that he did act for two companies, and that the Chelsea case was taken as a representative case.

2913. Suppose it was, I am going to read some more. I think it is a thousand pities this was not put before the Committee. Mr. Serjeant Bellasis says, on page 477: "He says he can do it, but it leaves him no margin. Therefore, on the part of the Chelsea Company, I am here to say that we do acquiesce entirely in the proposal which you have made to us, and we do trust that this fair and open acquiescence on our part in the proposal made by the Committee will not only be satisfactory to you, but will be satisfactory also to the public, and would have been also satisfactory to the Government if they had still been present here." So you see that passage bears out what I was reminded of: the Government had cleared out long before then?—You must not take me as agreeing to your interpretation of it. I can explain my own, if you will give me an opportunity of doing so.

2914. I do not want your interpretation of words. The Committee will interpret these words, and I am sure they will interpret them in my sense. But what I want to know is, can you point to anything subsequently in the shape of an emphatic declaration on the part of any company?—I cannot point at the conclusion of the case to anything that occurred subsequently.

2915. "At all events, that acquiescence will give us a facility for proceeding at once with our works, in the hope that we shall be able to get an increase of profits by the increase of customers, which we hope to obtain when our new supply is brought into the metropolis." There is not a word there about reducing the maximum?—No; it leaves the matter exactly as it stood.

2916. Let me read on: "I may take the liberty of saying here, I am sure that the inquiry which we made last night as to whether or not we could acquiesce in the terms you have proposed to us, satisfied us of the extreme wisdom of your determination to take the rating question in each company's Bill separately. Because what we had feared was, that the Committee were bent upon laying down some strict rule applicable to all the companies, and that it might turn out to be inapplicable to our district, and

Mr. *Littler*—continued.

would do more injury to us than you yourselves would have contemplated or intended." There is no acquiescence there, or any suggestion about going below the maximum. "Happily, however, what you have proposed to us is practicable" (that is to say, the maxima proposed is practicable, and nothing more), "and we have nothing more to say upon the subject; but as I have been during these proceedings before the Committee, not only in the character of the Chelsea Company, but also in the character of the other companies, I wish to say, that you might have fixed upon us terms which though favourable to us, might have been ruinous to the other companies; or terms which, favourable to others, might have been ruinous to us. Therefore, on the part of the companies, I trust I may understand, that the Committee do not intend to pledge themselves to any general rule as applicable to all the companies." Where is the pledge of the Lambeth Company or anybody else there?—I have told you the pledge was given in the opening of the case, the evidence, and the conclusion of the case. The Committee of Parliament acted upon it by passing the clause which the company asked for, giving them a power to charge not exceeding certain rates.

2917. Then do you consider all I have been reading is immaterial?—Might I say what Mr. Simpson pointed to as the sources of future income, was certainly not any proposal to charge up to the maximum rate. What he says is, "I shall have no margin," dealing with the words you quoted. You referred me to these words, "I shall have no margin; I can carry out the works," but at the same time we must look for the future income by the extended works of the Company, after the new supply shall have been brought in. Mr. Littler referred me to those words, as I understood, for the purpose of suggesting that it was then and there explained to the Committee that the company would thereafter, because the figure of their maximum rate had been reduced, charge up to their maximum rate.

2918. Distinctly so; and I do not ask you to construe it, because I am going to invite the Committee to construe it; but I ask you to put your finger on a single line in the proceedings which points to a contrary conclusion?—I was in the middle of my answer, if I may go back to it.

2919. Go on, but do not forget to answer the last question I put to you?—In due course. There is great difficulty in answering two questions at once. What Mr. Simpson refers to is this: The great difficulty he was looking forward to was the "income by the extended works of the company after the new supply shall have been brought in." That was further explained by counsel. "At all events that acquiescence will give us a facility for proceeding at once with our works, in the hope that we shall be able to get an increase of profits by the increase of customers, which we hope to obtain when our new supply is brought into the metropolis." There is not a single word to suggest he was

Mr. *Littler*—continued.

going to make up the deficiency by charging at the maximum rate.

2920. From that date onwards, I ask you, is there one single word which shows any pledge on the part of the Chelsea Company or any other company not to charge up to their maximum?—Of course there was not, because that was the end of the case. After the end of the case there was no more necessity for the argument of counsel or witnesses.

2921. Do you not consider all this material to the question? — I think that the whole of this volume is exceedingly material; but I endeavoured, as far as possible, to give the shortest possible summary to the Committee of the points which seem to me to be relevant to the question.

2922. This is the main point of all. You have charged on the companies that they represented to Parliament, and pledged themselves they would not charge up to their maximum. Parliament altered the maxima, would not accept that pledge, and I ask you after Parliament had altered the maxima, is there a line of that pledge to be found anywhere?—I have already said more than once the case was over.

Mr. *Pember.*] I have the materials for asking the same class of questions for other companies; but I abstain, as the point has been raised.

Chairman.] Are the Committee to understand the same set of considerations applies to all the companies.

Mr. *Pope.*] I, as representing two of them, simply desire to say this, that our simple object in raising the question now, was not to argue whether we are right in our construction of the proceedings; but simply that that which has gone forth to the public might be substantially correct, and that the public might know we emphatically deny we had ever made or ever broken any such promise.

Chairman.] I understand that. I asked the question, do the same set of considerations apply to the other companies?

Mr. *Pember.*] Entirely. I endorse what Mr. Pope has said.

Chairman.

2923. [To the *Witness.*) Do you accept that?—No. The companies are not all in the same position as regards this matter. Take the Lambeth Company. The Lambeth Company is not; the Southwark and Vauxhall Company is. The circumstances of the Lambeth Company are these, that in the year 1852, they had no Bill themselves before Parliament. They would have been subject to the clause which the Government proposed as to unitorm rating. That they argued against upon the ground of competition; the competition to which they were subject. The Lambeth Company said they did not fear any competition, that they were going for competition, and they put forward that argument against the proposal of the Government to limit their own rates. They succeeded in getting the Government proposal rejected upon that understanding, but inasmuch as they had no Bill themselves before Parliament that year, of course

Chairman—continued.

they did not come within the same category as the Chelsea Company, the Southwark and Vauxhall Company, the Kent Company, the Grand Junction Company, and the New River Company. I think I am right about all those companies; but I am not quite certain off-hand whether those were the companies which were before Parliament. Those companies sought to establish then and there this proposition, that instead of being subject to the reduction of rates and the uniform rating proposed by the Government, they should have what Serjeant Wrangham described as a power to charge not exceeding a certain maximum rate (I trust the Committee will forgive me if I repeat this over and over again), but to be receded from probably in the majority of cases. That was the proposition which Serjeant Wrangham sought to establish, and which the Committee sanctioned when they passed the Act. It is quite true, as Mr. Littler suggests, that the Committee reduced the figure of five in one case to the figure of four, and have made certain other reductions not from any existing power of the companies but from the extreme scale which the companies themselves were seeking to substantiate in their Acts. So that the Lambeth Company in regard to this matter stands on a different footing because the convention as regards Lambeth would be—indeed the Lambeth Company have a Bill before Parliament now in which these questions are raised—that at a proper opportunity having regard to what took place in 1852 the powers of charging of the Lambeth Company would be reduced at all events, to the 1852 level.

Re-examined by Mr. *Balfour Browne.*

2924. As a fact, most of the companies had no fixed scale of rates before 1852?—That was so, in some cases there were.

2925. The proposal made by the Government was that there should be a uniform rate?—Yes, for certain properties.

2926. The companies, on the other hand, acknowledged the principle of a maximum rate?—Yes, and said, "Give us powers to charge not exceeding the maximum rate."

2927. The principle that was at stake at that time was, should there be a maximum rate; is not that so?—Yes.

2928. Will you look at the words of Serjeant Wrangham again. In opening the case of rates he says, "I venture to throw out what the Committee must have been pretty well satisfied of in the course of the inquiry, that an inflexible rate would not do; that you cannot impose on all property of equal value the same amount of payment of water rate, because the amount of supply may differ so much under varying circumstances. That I think, therefore, I may almost assume as being a principle which will be adopted by the Committee"; the principle being, as I take it, a flexible rate?—Yes, a power to charge not exceeding the maximum.

2929. Then comes the next question: "Is a maximum rating having reference to the annual value of the premises correct in certain extreme cases, but to be receded from in the majority, probably, of instances, a reasonable mode of rating

Mr. *Balfour Browne*—continued.

rating property to the payment for the supply of water?" Do you see the words Serjeant Wrangham uses are "the maximum rate," not "the particular maximum rates," and further: "Is it a reasonable mode of rating"? so that the question then involved was the principle of a maximum rate which should be receded from in certain cases?—Yes. You are referring now to a portion of the proceedings which I quoted in answer to Question 1722?

2930. I am?—There is no doubt that the point in discussion was not the figure as Mr. Littler suggests at all, but whether as a principle or a mode of rating the suggestion of the companies was a reasonable one, or whether it was reasonable that they should have an absolute uniform charge everywhere.

2931. Let me follow another question. Mr. Simpson said: "I want time to consider whether I can make my new works with the rates Parliament has allowed," and he said he could without a margin. I think those were his words, or something to that effect. Of course, that was only without a margin on the rating of that particular year.

Mr. *Littler.*] No, no.

Mr. *Balfour Browne.*] Forgive me, do not say no, no, because Mr. Simpson goes on to say that he looks for future profit from other customers.

Witness.] From other customers, and from the supply of additional houses.

2932. Is it a fact that for years the Chelsea Company, which is the one in question, has had margins; has it paid its maximum rate?—Are you asking about the maximum rate of dividend?

2933. Yes, the maximum rate of dividend?—Of course the Chelsea Company have paid a very fair average rate of dividend all the way through, but I think it is only quite lately by reason of a very large extension of houses in the Chelsea district that they have been able to pay their 10 per cent. dividend. I am not quite sure about that, but I think that is so.

Chairman.] Have they been charging the same rate ever since then?

Mr. *Balfour Browne.*] Oh no, Sir. When you hear the evidence you will find that in 1851 a house in Belgrave Square on which the total charge was 12*l.* 10*s*, according to the evidence given by Mr. Simpson, pays to-day 60*l.* You have a margin there.

Chairman.] Can you tell us what is the practical difference between the rate as first proposed and the reduction which was made by the Committee to which attention has been called?

Mr. *Balfour Browne* (to the *Witness*).] Can you tell what the practical result was of the reductions Mr. Littler was putting?

Chairman.] How much it amounted to, in fact?

Witness.] I can hardly tell you that accurately, although we shall be prepared to explain it at a later period of the case, but of course the Acts speak for themselves. The Acts were passed, and there are certain figures in the Acts, and it would be only to compare the Bills as originally introduced to see how much short that was.

2934. At any rate, you are not prepared to say at present?—No; Mr. Littler, I think, has referred to practically everything which deals with that point, showing that in the scale originally proposed to the Committee the Committee made certain deductions in favour of the consumer.

Mr. *Balfour Browne.*

2935. And, as I understand, notwithstanding those reductions, the company took its Bill?—The companies took their Acts with the clause framed on the very principle for which Serjeant Wrangham had contended, and which has been supported by his witnesses in almost identical phraseology.

2936. I think you said the Kent Company had a Bill in 1852; but I think the Kent Company did not get their rates fixed until 1861?—Yes. I think that was so. The East London were also in Parliament in 1852, but an alteration was made in their case in 1853, but as regards the companies we are dealing with their rates were affected in the way I suggest.

Mr. *Littler.*] That is not so. Look at page 414. "Are those rates in accordance with your present powers; are they what you have at the present time? (Mr. Serjeant *Wrangham*): You will hear from Mr. Simpson, I believe, that those are, practically, the same rates as we take at present."

(The Witness withdrew.)

Mr. *Balfour Browne* was heard to address the Committee in support of Clause 6 of the Bill.

The Committee-room was cleared.

After some time the counsel and parties were again called in.

Chairman.] This is the decision the Committee have agreed to. The Committee are of opinion that if this Bill should become law, and if the consideration to be paid by the London County Council for the transfer of the undertaking is to be determined by arbitration, the arbitrators should, in determining the fair and reasonable value of the undertaking, have regard to all the circumstances of the case as provided in lines 30 and 31, page 7, of Clause 6, and the Committee would be willing, on consideration of the clause, to introduce, if necessary, other general words in order to render it absolutely clear that the arbitrators are not to be precluded by any legal objections from entertaining all the circumstances which they may think it right to take into their consideration, say, for instance, the Report of the Royal Commission of 1893. It is obvious that such an important document should be open to the consideration of the arbitrators, but the Committee merely refer to this as an illustration of what they mean. As to the subsequent provisions of Clause 6, the Committee are not convinced that they are needed in order to enable the arbitrators to take evidence upon, and have

regard to, any or all the matters therein referred to if in their discretion they should think fit to do so. The Committee do not feel justified in endeavouring to influence in any way the impartial exercise of that discretion, and they are unwilling by special reference to particular circumstances to seem to prejudge their consideration or by implication to exclude or affect the consideration of any others which may be submitted to the arbitrators. The Committee think that it should be in the power of the arbitrators at any stage of their proceedings to obtain the decision of a competent court of law on any questions which they may desire to submit for such decision, and the Committee will be ready, if necessary, to introduce words for that purpose into the Bill in case they should declare the Preamble to be proved. Of course we cannot proceed any further to-day, and I do not know whether it would be convenient for us to meet again to-morrow, or whether counsel in the case would wish to have time to consider the matter.

Mr. *Balfour Browne.*] I think, speaking for the promoters, on the whole a little time to consider your decision would be of advantage. I do not want to say one word about it at this instant. I think I follow it; it is a little difficult without having it under one's eye, but I think on the whole it would be convenient to give us time to consider it.

Mr. *Littler.*] Of course, as far as the company I am speaking for is concerned, I must remind the Committee that up to the present time they have not heard our arguments even against the modified form the Committee have arrived at. I have certainly nothing to say against an adjournment, but I want to guard myself in that way, that up to the present moment we have not shown; because it has been for my learned friend so far to show the Committee he was justified, and the Committee have indicated to a certain extent what their view is on that matter; but we at the present moment have not been even heard to say one thing. For example, to give one illustration; I myself personally, as advocate, of course have a very strong opinion that it should be under the Lands Clauses Act and nothing else, and as to that we have not had an opportunity of saying a word to the Committee; but I do not in the least degree resist an adjournment, so far as my clients are concerned, for the purpose of considering what the Committee have said.

Chairman.] Till what day would you like, Mr. Balfour Browne?

Mr. *Balfour Browne.*] Of course the matter is one of very great importance, not only to my clients but to the other side; and I think if you could, without inconvenience to yourself and the other members of the Committee, give us till Friday, that would suit.

Chairman.] Certainly.

Mr. *Balfour Browne*] One of our committees we want to consult about the matter meets on Thursday afternoon, and if you would adjourn to Friday morning we should be in a position to deal with the matter.

Chairman.] Certainly, if that would be quite convenient to you.

Mr. *Balfour Browne.*] Thank you, Sir.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 14*th June* 1895.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.

THE RIGHT HON. D. PLUNKET IN THE CHAIR.

Mr. *Balfour Browne.*] SINCE your decision, Sir, on the 12th June, we have considered the matter very carefully, of course. We understand that it is the intention of the Committee that either party—that is, the London County Council or the Water Company—is to be entitled to insist upon all matters which, in the opinion of either party, affect the value of the undertaking, as by way of illustration, the report of the Royal Commission being considered by the arbitrator, and that he will be able to give such weight to these matters as he thinks right. Of course I have the decision of the Committee—I do not know whether the honourable members have—before me; but that is how we interpret the decision.

Chairman.] Will you mind repeating your sentence once more?

Mr. *Balfour Browne.*] So important is it that I have written it down, and, therefore, I can repeat it absolutely. We understand that it is the intention of the Committee that either party is to be entitled to insist upon all matters ——

Mr. *Pope.*] That was not the Chairman's suggestion.

Mr. *Balfour Browne.*] Which, in the opinion of either party, affect the value of the undertaking, as by way of illustration, the Report of the Royal Commission. I take those words from you, Sir.

Chairman.] Yes.

Mr. *Balfour Browne.*] Being considered by the arbitrator, and that he will be able to give such weight to these matters as he thinks right; and we see no difficulty, Sir, in bringing up a clause in general terms—again using the words of the Committee—in lieu of Clause 6, which will carry out that intention. You suggest that the course you were taking, which was out of the ordinary course to some extent, would or might shorten the proceedings, and, so far as the promoters are concerned, it has had that effect. We conside (of course we may be wrong) that you accept the proposition; that we have made out a *primâ facie* case for transfer of the undertakings to the County Council.

Chairman.] You mean subject to what may be said on the other side?

Mr. *Balfour Browne.*] I qualify it immediately; a *primâ facie* case only so far as the promoters are concerned, for transfer to the County Council upon terms to be agreed, or failing agreement, to be determined by arbitration under a clause in conformity with your decision or suggestion, because my learned friends rightly say it is not a final decision of course. If we are right, Sir, that is the preamble of the Bill. Of course you will have to hear what the opponents have to say against the preamble of the Bill, but under the circumstances, and having regard to the time at our disposal, we do not propose to offer any further evidence at this stage of the proceedings. When we come to clauses it may be necessary, of course, to ask you to hear further evidence on the preamble, unless there are any points connected with the preamble on which you desire further information. I hear my learned friends say we must use our own discretion. I am perfectly prepared to use my own discretion and close my case so far as the preamble is concerned, but a part of my discretion bids me say that if there is anything the Committee wants further information upon, if we have the evidence here we are quite willing to call it, but if the Committee says nothing to that, I am prepared to close my case, and then it will be for the opponents of the Bill to show you that the preamble is untrue.

Chairman.] As regards the last matter you have brought before the Committee, of course that is as you yourself admit entirely in your own discretion. You know much better than I can know what are the issues raised between the promoters of the Bill and the petitions presented against it, and if you consider, subject to what I have to refer to presently, you have given as much evidence as you please; that is of course for yourselves to decide. As regards the view of the Committee, we did, I think, mean to convey to you that subject, as you say yourself, to what may be said on the other side, there was a *primâ facie* case as the Bill was sent to us, without expressing any opinions of our own individually on the policy of the matter, for transfer to a central authority, and in the absence of any alternative central body clearly proposed by the petitions against the Bill, we thought that we could not go into the setting up of such an alternative central authority at this stage, whatever individual opinions the members of the Committee might have, on which you remember I carefully guarded myself from expressing any opinion.

It will therefore, of course, be open to the opponents of the Bill to make any case they can upon their petitions and upon the Bill against the preamble being declared proved. But as regards the first proposition that you have submitted to us as your view of the decision we arrived at the other day, I understand you to say that you think if the construction you put upon our decision is the right one, you will be able to bring up words when we come to that clause which will be satisfactory to you—general words that is to say; but, however, of course, the particular point upon which you desire enlightenment at present is what we intended by the decision at which we arrived.

Mr. *Balfour Browne.*] That is so, Sir.

Chairman.] And what you say is this, that each side should have the right to insist on all matters which, "in the opinion of either party affect the value of the undertaking, as by way of illustration, the Report of the Royal Commission being considered by the arbitrator, and that he will be able to give such weight to those matters as he thinks fit." Of course, there may be a little ambiguity in the word "consider," which I should say probably it would not be easy to define in words exactly until you propose the words in the clause to which you refer; but the only qualification I should like to make to the construction which you have put upon our words is that you must remember in a subsequent part of the decision, in addition to what you have already referred to, there are these words: "As to the subsequent provisions of Clause 6, the Committee are not convinced they are needed in order to enable the arbitrators to take evidence upon, and have regard to, any or all of the matters therein referred to, if in their discretion they should think fit to do so." That is to say, to take evidence or give weight to; therefore, under this decision, while it will be in the right of either side to require in the first place that the arbitrator should have regard to all the circumstances of the case when he comes to decide what he considers the circumstances of the case, it will be the right, according to the decision which we have given, of either party to submit to him whatever they may think right, and in that sense he is to consider it. But when those considerations have been submitted to him, it will be for him to decide whether he is to take evidence upon, and have regard to all or any of the matters, if in their discretion (that is in the discretion of the arbitrators) they should think fit to do so.

Mr. *Balfour Browne.*] Of course, I have no right to cross-examine the Committee.

Chairman.] I think that is as far almost as I can go at present; you must take the decision as we have given it. It was the result of very careful consideration, and endeavouring to do what was fair and right as between the two parties.

Mr. *Balfour Browne.*] I do not know whether you will allow me to say, Sir, that what we think is that the arbitrator should be asked by Parliament to hear everything that either party thinks is essential, but that the arbitrator, of course, is not to be bound to act upon either party's suggestion.

Chairman.] I have not considered the words as you have submitted them to me now, but the words which we have given here are, I think, amply clear, and I go with you as far as to say that we did consider it was the right of the arbitrator to listen to what might be put before him as matters which ought or ought not to be gone into, but that the parties on either side, having stated their views, it would be for the arbitrators to say how far, if at all, they would go into evidence; and how far, if at all, they would give weight to the representations made. And, as you will see, we distinctly guarded ourselves in the smallest degree against prejudging what decisions the arbitrator may come to.

Mr. *Balfour Browne.*] I think, Sir, with the assistance you have given us now, we shall be able to bring up a clause.

Mr. *Pope.*] May I say, Sir, as representing some of the water companies, my learned friend must, of course, exercise his own discretion as to whether this closes his case, or does not, in support of his preamble. I must protest respectfully that the Committee are not to throw out to him any hint as to where his proof of preamble is short in order that he may supply it to their satisfaction. He must use his own discretion. In that view, then, I may say at once that this decision of my learned friends, although, of course, to those of us who have considerable experience it has been a contingency which has appeared to be possible as a matter of tactics and advocacy, it has to some of the opponents come, to a certain extent, as a matter of surprise as regards the arrangement of their case, and the mode in which it should be submitted to the Committee. I take it we, having looked at the suggestion, I will not call it a decision, of the Committee the other day, it means this, that it was an intimation to the promoters that come what might of the general principles of the Bill, you would not assent to giving them the power to purchase on any better terms, at all events, than those which were included in the memorandum you submitted to us. In other words, that the special instruction to be given to the arbitrators, which was the substance of Clause 6 in the one Bill and of Clause 7 in the other, should be struck out, and it should be left to general expressions to be addressed to the discretion of the arbitrators. That leaves, of course, the whole question of preamble open to the opponents of the Bill. It also leaves the whole question of any suggestion which the opponents may have to make, directed even to that which the Committee have intimated to the promoters as being an improper mode of dealing with the question, still open to them to urge before the Committee. Now, if you will follow me for one moment, I will explain to you exactly what appears to us to be the position of the opponents now without one single word of argument as to whether the decision, or the suggestion of the Committee, or my learned friends' interpretation of it, is just or proper. That will come by and by when we have to deal with our case. My learned friend has closed his, and you are now going to consider the case of the opponents against

against the preamble of the Bill entirely at large. I will take one of the Bills which is before you, the Lambeth Bill, although it is not the Bill I am personally interested in; but I take that first, because it comes first to my hand, and the important clause in the preamble, which of course we shall have to discuss, you will find on page 4 of the Lambeth Water Transfer Bill, at line 8.

Chairman.] I do not understand that you are opening your case now.

Mr. *Pope.*] Not in the least, sir; I am only defining the position of the opponents, that is all; the view we take of the position of the matter now that my learned friend has closed his case on the preamble, not in the sense of advocacy at all but of explanation. If you will kindly refer to line 8, the important paragraph begins, and I will explain to you in a very few words what we conceive to be our position upon that paragraph: "and whereas it is expedient that provisions such as are in this Act contained should be made for the transfer of the undertaking of the Lambeth Company, as defined by this Act, to the London County Council." I pause there for a moment. It appears, therefore, to us, sir, obvious that the phraseology of that preamble (and I am not, of course, dealing now with any of the paragraphs in either preamble which are special to the particular company). My learned friend Mr. Bidder, you will remember in cross-examining, called attention to certain provisions of the preamble in the Southwark and Vauxhall Bill which are special to the Southwark and Vauxhall Company, and I am not dealing with those in the least now; but all the provisions of the Act are by that phraseology made part of, so to speak, the preamble, so that the position appears to us to be rather more analogous than is usual before a Committee of the House of Commons to the former procedure which the House of Lords adopted, namely, postponing the preamble until they settled the provisions of the Bill. In this case it is obvious you must do so, because the very words of the preamble are that the provisions of the Bill are to be enacted as the conditions of the transfer. You know, sir, in this House usually the Committee declares the preamble proved, and then goes on to discuss clauses. In the other House the practice is to say the Bill may proceed; that is, they proceed to discuss the provisions of the Bill before they finally conclude that the preamble is proved. Now, it seems to us that this phraseology, "That it is expedient that provisions such as are in this Act contained should be made for the transfer," imports those provisions into the preamble as preamble matter, and, therefore, in discussing the preamble, of course it becomes an important matter that we should discuss what are the conditions upon which the transfer is to be authorised. So far, therefore, come certain questions. For instance, upon that part of the preamble I should say there may arise three questions to be discussed: one the question of arbitration; whether it be, as originally proposed, or as you suggested to the promoters, is the only form in which it would meet with your acceptance. That we are open to discuss when we come to deal with our view of the preamble.

Then, again, there is the further question how far the transfer of the undertaking is to affect or interfere with the debenture securities of the various companies. That will be a condition which must be discussed on the preamble. I know that my learned friend, in discussing that question—I think one of his witnesses said that he would give to the companies pretty much what they might ask in the way of security for their debenture shareholders; but if that cannot be done, or if there be in the opinion of the Committee difficulty in doing it, that is an argument against the preamble which involves the question of the conditions on which transfer is to be effected. So, also, whether the transfer is to be of one company at a time, or is to be only authorised in the event of the council accepting the responsibility of purchasing the whole, so as to constitute a coherent and homogeneous water authority for the metropolis. That is a question again on the preamble which would arise under those particular words; and pursuing that a single step further, the preamble alleges that the transfer is to be made to the London County Council. Now, we do not understand you to have decided that as a preamble question, but we do understand that what you said was that in the absence of the suggestion of an alternative water authority you would proceed with the discussion, at all events, upon the assumption that the London County Council are the only authority asking at present. It is quite open to us, we submit, to say, not such, and such and such a constitution would be the right constitution for the water authority, because nobody has got a Bill before this Committee promoting such a constitution, but we are clearly entitled to say that inherently the London County Council is an improper body to whom such a power could be entrusted, and that is what we propose to do. But, sir, that latter point really brings me to the course which we have felt we ought to press upon the Committee. The question of whether the London County Council is an improper body to be entrusted with these powers is not so strong in the mouths of those who are to be purchased and extinguished as it would be in the mouths of those who are to be left alive, and affected by the transfer after it is made, and our view, therefore, is that the main argument upon that part of the question (I do not say the sole argument but the main argument), upon that part of the question really appears to lie in the mouths of the outside authorities who have not agreed with the county council. My learned friend, I noticed, in the observations he made the other day, to which I listened very carefully——

Chairman.] You must remember you have told us this is not the opening of your case, and you must not, please, indicate your arguments.

Mr. *Pope.*] Quite so, sir; I am only pointing out this: that they are obviously parties who ought to raise, and who desire under their petitions to raise, the question of the impropriety of the county council being authorised. So do we. That leads me to really what is now my desire to submit, namely, what course the Committee will take upon the sudden cessation of my learned friend's case. I shall ask you, sir,

and I think I shall be supported by all the opponents, to allow us an adjournment until an early day next week mainly in order that the outside authorities may have an opportunity of considering their view of the question; it is rather theirs than ours; we can raise it. It is in our petitions, and if it should be necessary we would argue it; but it does not lie in the mouths of the water companies, who are to be bought, so much as it does in the mouths of the outside authorities. Those outside authorities have been lying aside. I do not know whether they have been present; some of them have been represented, some of them have not. I think that you might reasonably say that they ought to make up their minds, now that the case for the preamble is closed, whether they are going to intervene to discuss that question at all, or not; but I think I am justified in saying that they at least have not anticipated this decision of the promoters to the extent of providing themselves with the witnesses and counsel which they might desire. My proposition, therefore, is this: that the whole preamble being open to us, that the water companies believing that the three questions I have mentioned are vital to the discussion, namely, what are the provisions of arbitration, what are the provisions in respect of their debenture holders, what protection are they to have as regards the purchase of the whole rather than the purchase of separate members, and the breaking up of the community in sections, that we should be allowed now until an early day next week (I do not care how early) to consider what are the witnesses, if any, which we think it desirable we should bring before the Committee, and, above all, that we should allow the outside authorities to take into consideration their view of the case, and see whether they do now desire to intervene upon that question of whether the county council ought to be the body or not.

Mr. *Littler.*] I should like to say with regard to that that certainly the preamble discussion having come to so sudden a close it is very desirable one should have an opportunity of looking at the evidence in a different light to what one did before, to see what points there really are to be met by evidence, and what are now really matters of argument, because it will make a very great deal of difference to the time of the Committee if we were to come to the conclusion that, after all, having regard to the fact that there is merely a *primâ facie* case, as my learned friend says, and I am afraid in some respects he will have to look for it with a microscope (I cannot say there is none); but at all events he says there is a *primâ facie* case (and I am not going to say there is not); at all events, that being the case, I think it would be very undesirable we should begin launching at your heads a number of witnesses when possibly, on consideration, we may come to the conclusion that we need call no witnesses.

Mr. *Pember.*] I have the honour of appearing for the Lambeth Company whose property is in question before you, and they desire me, while I thoroughly endorse all that fell from my learned friend Mr. Pope, to emphasise one or two points we should like to raise, without for one moment opening my case or arguing upon them. I also appear for some other water companies, and also for the Kent county authorities, and I should like to say a word on their behalf. Of course I desire, on the part both of the four companies for whom I appear, and also for the Kent authorities, to raise, and raise very earnestly before you, the question exactly as Mr. Pope has put it with regard to the London County Council, as to whether they are inherently, as he says, the proper body. We are not prepared to put any alternate scheme before you, but, as Mr. Pope says, we consider we are fully entitled to put before you this question, that, whoever is to be the proper authority, the county council is not the proper body. Both for the water companies, and also for the Kent authorities, I should like to put that. I should also wish to put the same question that he has put as to the position of the debenture holders in the purchase; and, thirdly, we wish to put very strongly before you, indeed, the absolute impropriety (though perhaps using the word "impropriety" rather tends in the direction of argument, so I will call it inadmissibility) of allowing the purchase of one or more companies without purchasing the whole. We, I think, shall be able to show you that that is absolutely contrary to one of the most express decisions of Sir Matthew White Ridley's Committee two or three years ago. Lastly, we wish to put before you with equal strength the question, which is obviously a preamble question, too, of the transfer before payment. As my learned friend Mr. Pope has put it, the preamble of this Bill is a peculiar preamble, and asks for the assent of Parliament upon the terms and conditions embodied in the clause. Now, one of the strangest terms, to my thinking, in the whole arrangement of the clauses is that they propose to take away my property before they pay me the purchase-money, or even, as my learned friend Mr. Littler says, before they have got the money themselves, because, as I ventured to suggest to one or two witnesses the other day, 30,000,000*l.* or 40,000,000*l.* of money does not grow on every gooseberry-bush, even in the city of London. I think those are the points we should wish to raise before you. I leave for the moment altogether the question of what your suggestion the other day may be taken properly to mean. But I may, perhaps, just say that my learned friend congratulates himself, perhaps somewhat prematurely, on having correctly interpreted it, but I have said I will not argue any question, and I will not argue that now.

I also endorse the desire for a certain amount of adjournment in order that we may be able to shape our cases, and, perhaps, while I am on that point, I might say that I hold personally a very strong view that the various county authorities should precede in their opposition the opposition of the various water companies, because, although I appear for one of them, if I may say so, they cannot have the same hostility to the Bill which the water companies have. County authorities are *quasi*-hostile, of course, and the water companies ought not to have their opposition coming behind theirs to the Bill. We think that the various county authorities' opposition should precede that of the water companies, because they are not the same out-and-out opponents to the Bill. Of course, where they own waterworks, they

they also have elements in their opposition which are hostile to the water companies, and it would not be fair that the water companies should have behind them an opposition coming finally as an opposition to the Bill, but which might involve a certain review of the water companies' own case. I raised the same point before Sir Matthew White Ridley's Committee two or three years ago, and the answer there was the answer I venture to assume you will give on this occasion, viz., that the water companies should be allowed to come last. As to the order in which the water companies should go I myself am more or less indifferent except that I have a certain claim to choose my own position, inasmuch as the Bill before you is the Lambeth Bill, and I have the honour of being counsel for the Lambeth Company; but whether I go first or last I do not so much care, but I should claim to go in one or other of those emphatic positions.

Lord *Robert Cecil.*] Speaking for the County Council of Middlesex, I wish to endorse what has fallen from my learned friend Mr. Pember, and to say that the council recognise it would be convenient that the county authorities should be heard first on this Bill.

Mr. *Balfour Browne.*] May I say that, so far as the application of the county authorities is concerned for an adjournment, we have nothing to say against it. Mr. Pember represents the authority of Kent, and of course he has a right, I think, as Mr. Pope said, and it lies in his mouth to say something about the County Council not being the proper body. I do not exactly understand why my learned friend Mr. Pope, speaking for the water companies, made the application, but I do not care about that. I have not the least objection to postpone the further hearing of this case until, I think you said, Wednesday.

Mr. *Pope.*] No, I did not venture to name a day.

Mr. *Pember.*] Nor I either, for I really thought it might have been a matter of personal convenience to the Committee not perhaps to meet quite so early as Wednesday of next week.

Chairman.] But the time is flying.

Mr. *Pember.*] Wednesday would suit me perfectly well.

Chairman.] I understand for the County Council you would have no objection to a postponement, say to Tuesday, Mr. Browne.

Mr. *Balfour Browne.*] None at all, sir.

Chairman.] Then as regards the question of adopting in this case the procedure of the House of Lords, which has been referred to by Mr. Pope, have you anything to say upon that?

Mr. *Balfour Browne.*] As to postponing the preamble. Of course, even in the House of Lords the case for the Preamble is always made out first, and their Lordships declare either that you are not to proceed with the Bill, or that you are to proceed with the Bill. Exactly the same course has been followed here. We have laid before you evidence which, as I say, makes a *primâ facie* case for the preamble. I do not care whether you declare it proved after you have heard my learned friend's case or say you postpone it. I think perhaps, on the whole, the better course would be that proposed by my learned friends. I have not the least objection to postponing the Preamble, and we can settle the preamble after the clauses have been gone into, but, of course, it will be understood that we are discussing clauses. If we postpone the preamble, and they will come and discuss clauses with us, we are quite willing to discuss them with them, and we will submit clauses to them if they will submit clauses to us.

Mr. *Pope.*] It really makes no difference now.

Chairman.] You must amplify what you say a little, Mr. Browne. I do not know whether the other members of the Committee have had recent experience, but I have not, unfortunately, of presiding over, or taking part in, a Committee of this kind, and therefore I really do not know what the practice is.

Mr. *Balfour Browne.*] The practice is in your House, that you declare the Preamble proved. Formerly anyone who stayed after that declaration and discussed clauses was precluded from discussing the principle of the Bill in the other House. They could be heard on clauses again, but the fact that they had remained in the room after the Preamble was declared proved, was held to be an acceptance of the principle of the Bill. A Standing Order has now been passed to say that that shall not have effect, but still as a fact, it does weigh with Committees that if you stay in the room and discuss clauses, you are to some extent giving away your case against the principle of the Bill, and I should say if we went to the other House: "it is quite true, my learned friends asked the Committee to postpone the Preamble, but they did discuss clauses; they got the best terms they possibly could on the clauses, and to that extent they have given up the principle of the preamble of the Bill." That is what I should say. So far as the question of adjournment is concerned, I only suggested Wednesday because I thought one of my learned friends had said it, and because the meeting of the County Council of London takes place on Tuesday, and it would give us an opportunity of consulting the Council, if necessary, about the Bill before you met again; that is the only reason really I had for suggesting Wednesday.

Mr. *Bidder.*] May I mention as a matter of practice, not only in the House of Lords, but in this House, one Committee, the Police and Sanitary Committee, is habitually in the habit of postponing the Preamble of the Bill until they have gone through the whole Bill.

Mr. *Balfour Browne.*] Is that necessary?

Mr. *Littler.*] And is never recognised as prejudicing anyone. I think it ought to be understood if we for the convenience of the Committee adopt this course, we shall not be prejudiced in the other House.

Mr. *Pope.*] I do not think it is worth discussing, because how on earth the discussion of provisions in a Bill which are declared in the Preamble itself to be the conditions upon which you authorised the transfer can be held to be

anything but preamble, I am unable to understand.

Chairman.] I must say it had struck me in reading the Bill that the construction of the Preamble was in that respect, I will not say unusual; because I do not know about that; but at all events, peculiar, because the heart of the Bill as we supposed it to be at the time, was put in a kind of parenthesis "provision such as those in the Act contained." I do not know; but it would appear to me, if there is no objection on the other side (I should like to consult my colleagues before finally coming to a conclusion upon it) that the course suggested by Mr. Pope might not be a convenient course to adopt. But at the same time I think, as has been said by Mr. Littler, that it should be understood that it is not to prejudice people in the other House. We have no control over that other place, and therefore if Mr. Pope's clients adopt that course they must do it upon their own responsibility. But have you anything to say, Mr. Browne, before thn Committee clear the room in order to consult on the suggestion that one part of the case should be taken first.

Mr. *Balfour Browne.*] I am entirely indifferent as to that; whatever suits the convenience of my learned friends I will agree to.

The Committee Room was cleared.

After a short time Counsel and Parties were again called in.

Chairman.] Before informing Counsel of the decision at which the Committee have arrived on the three subjects which were brought under their notice just now, I wish to refer to one expression which fell from Mr. Pope, and for fear of their being any ambiguity at a future time, I will quote his words. He said, referring to the decision at which the Committee had arrived on the last day, he understood "that the special instruction to be given to the arbitrators, which was the substance of Clause 6, should be struck out." No doubt what he intended to refer to there was the concluding part.

Mr. *Pope.*] Clearly.

Chairman.] That, he went on to say, "should be struck out, and it should be left to general expressions to be addressed to the discretion of the arbitrators." On that I only wish to recall attention to the exact words of the decision at which we have arrived. I will only read the part of it which applies here. It is this, that "the arbitrators should in determining the fair and reasonable value of the undertaking have regard to all the circumstances of the case as provided in lines 30 and 31, page 7 of Clause 6, and the Committee would be willing on consideration of the Clause to introduce, if necessary, other general words" and so on. As to the remarks which Mr. Pope made upon that part of the case, it stands thus really up to the present; all we have done is that we have upon the promoter's statement of the case come to a conclusion, and with the view of preventing unnecessary waste of time we have declared that conclusion—that as regards the part of Clause 6, subsequent to the lines I have referred to here; we are not disposed to allow them to remain in the Bill. With that I should say the counsel for the petitioners, at all events, can find no fault. I would venture to suggest the most convenient time for them to raise any objection they may seem to entertain as to other parts of our decision will be when we come to Clause 6; for it stands at present that we, in general words, adopt the lines now standing in the Bill at lines 30 and 31, but we offer to hear suggested amendments for a certain purpose, and if I might venture to suggest, though I do not wish in any way to control the discretion of counsel—it seems to us the most convenient time for going further into that question will be when we come to Clause 6. Then as to hearing the case of the petitioners against the Bill, of course there again we do not like to interfere with the discretion of counsel, we would rather that counsel settled amongst themselves in what order their attack should be conducted; but if we are to express any opinion on the subject it appears to the Committee that the outside authorities might fairly be called upon to begin, so that the company which is immediately in question in this Bill should have, as it were, the last word in the case. However, we do not lay that down as dictating anything, but simply as indicating it we are appealed to on the subject by counsel, if they do not like to settle it amongst themselves, that as our view. Then as to the next point, we hope to hear the case for the petitioners against the Bill in the first place in whatever way they think fit to present it, and then we can decide whether there is any reason for departing from the usual course of Committees of this House in respect of proceedings of the preamble.

The only other word I would say is, that on the whole we think it better to sit on Tuesday next. We are of course unwilling to refuse any application for further time that may be made on one side or the other, but really the Session is so far advanced that we should not feel justified in granting any further delay than we have suggested, so that on Tuesday we will meet again at 12 o'clock.

[Adjourned till Tuesday next at 12 o'clock.

Tuesday, 18*th June* 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Right Hon. D. Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. *Pember* was heard to address the Committee in support of the Petition of the Kent County Council and other authorities in opposition to the Bill.

Sir JOHN LUBBOCK, Baronet, M.P., sworn; and Examined, as follows:

Mr. *Pember*.

2937. I NEED hardly introduce you to the Committee; but, as a matter of fact, as we all know, you have been a member of the London County Council from its formation?—I have.

2938. And have been also chairman?—Yes.

2939. You were a member of the committee on the Manchester Water Bill, were you not?—I was.

2940. And subsequently on the Liverpool Water Bill?—Yes.

2941. I think you have taken a great deal of interest in the question of water supply?—I have.

2942. I will ask you at once whether you think the London County Council is a suitable body to manage the water supply of London and the neighbourhood?—I have a very high opinion of the great industry and integrity of my colleagues, which I fully appreciate; but there are several reasons (five, at least) why I think it would be very undesirable, in the interests of the ratepayers, that the London County Council should undertake the management of the water supply of London.

2943. I will ask you for your first reason?—My first reason is, that the members of the London County Council are not chosen with any reference to the special management of water companies, and, as a matter of fact, I believe there is only one of our colleagues at the present moment who has had any practical experience in these matters; and I think that suddenly to transfer the whole management of the water supply of the metropolis from those who are managing it now to a body which has had no experience of the kind would be likely to be fraught with great danger to the metropolis.

2944. What is your second reason?—My second reason is, that naturally the London County Council is a body which is liable to change at every election, and which, as a matter of fact, does change to a considerable extent at each election, and, therefore, that those who are managing the water matters of the metropolis might be liable on totally different grounds to lose their seats on the London County Council, and to lose consequently their seats on the committee which would manage the water supply.

Mr. *Pember*—continued.

2945. What is the third reason?—The third reason is, I think, that it is very undesirable that the governing body of the metropolis should be a very large employer of labour. Perhaps the Committee would allow me to read a few words from the evidence given by Lord Farrer before the Labour Commission. Lord Farrer stated before the Labour Commission: "The action of the London County Council on the labour question has caused many to doubt the wisdom of transferring to it public undertakings, and it considerably damps my ardour with regard to the water supply, so that I am almost inclined to think with Sir John Lubbock that the water should remain in the hands of the companies." Necessarily the London County Council have to employ a great number of persons, and I think that it is undesirable unnecessarily to increase that number, which may be an important factor in elections, and which is a matter of difficulty, of course, to the county council.

2946. I daresay you may have done me the honour to have heard the remarks I made as to the question of the amount of business now thrown on the council, and the quotations I made from Mr. Sidney Webb's article?—That was my fourth reason. I concur generally with what you said with reference to that point. I think, if I remember rightly, Mr. Harrison himself stated that, on an average, each member of the council now has one meeting of a committee a day; those meetings are of very considerable length. We start with a meeting of the council itself every Tuesday, which lasts always four hours, sometimes longer. The meetings of the committees very frequently, I might say generally, last for a couple of hours; but even

Mr. *Pember*—continued.

that is only a part of the work which the members of the committee have to do. The Committee will see that, for instance, the members of the Asylums Committee would very inadequately perform their duties by merely attending the meetings of the committees; they have to go down to the different asylums and see what is being done there. Then take the Parks Committee. If the Parks Committee were simply to confine their interest in the parks to attending the committee-room, they would inadequately perform their duties. As a matter of fact, they go and visit the parks, and see what is going on in them. Then take, again, the Works Committee. They visit the works to see how they are going on, and it is absolutely necessary they should do so in order to be able to regulate them, and the consequence is that even the number of meetings, great as it is, gives a very inadequate idea of the amount of labour which is performed by the members of the London County Council. The council has always considered, and I think correctly, that it is important to have on the county council a certain number of persons who are engaged in other public duties. For instance, they elect a certain number of Members of Parliament, a certain number of peers; they have thought it necessary to have a certain number of bankers and merchants in order that the Finance Committee might have their advice and assistance in the financial operations of the council, which I need not say are of very great magnitude and of very great importance to the people of London. Then, as everyone is aware, we have sanitary duties of very great importance to the health and well-being of the metropolis, and it is extremely desirable that we should have therefore on the council, as we have, the advantage of having some members of great medical experience; it is quite obvious that those gentlemen who have such duties to perform cannot give anything like the whole of their time to the council. If they were to do so, the very advantage which they can give to the council by their experience outside would at once become comparatively useless. The result of that is that it throws upon other members of the council a much larger than the average amount of duty, and I think it is only due to many of my colleagues to express the greatest admiration of the devotion and self-sacrifice with which they have practically given the whole of their time to the work of the council. But on that point I should like to lay before the Committee the opinion of a much higher authority than I am, viz., Lord Rosebery. Lord Rosebery, in his address to the council in May, 1890, used these words: "Then there is another question of policy to mention: that of the division of labour and expenditure between ourselves and districts. If the council is going to undertake London wholesale and retail, I do not doubt that it can obtain for itself a very considerable increment, both of powers and responsibilities, more especially of powers and responsibilities which involve expenditure. I do not believe that that is the duty of the council. I do not believe that these are functions which our council is adequately able to discharge.

Mr. *Pember*—continued.

My recommendation on this head will be summed up in these words: 'Don't break the back of the council.' The back of the council has quite enough to bear already. Numbers of our friends are coming with full hands to add daily to that burden, and I hope the council will first test its strength of endurance under its present load before undertaking any of those smaller and more complicated duties which some of us seem so eager to insist upon." I need not point out that since that time Parliament in its wisdom, and if I may venture humbly to say so, I think it could hardly help doing so, has imposed on the council other very considerable duties which add to our responsibilities very greatly, and I think if it were undesirable to undertake even smaller duties clearly it is undesirable to undertake such an enormous and responsible duty as the management of the water supply of this great metropolis unless indeed there should be some very overwhelming necessity for doing so. On the fifth point, I am perfectly convinced in my own mind that the result of taking over the water companies, as is now proposed, would inevitably add very largely to the rates of the metropolis, which are even at present rapidly increasing. I confess I think it doubtful, for the reasons I have already given, whether the London County Council or any body so constituted would be likely to manage the water supply of the metropolis as economically as at present; but even supposing that it was so, we have not at present to do more than to pay for the water, whereas if we buy up the water companies we shall have not only to pay for the water, but also for the amortization of the stock. Parliament has always held it necessary that local authorities should within a limited number of years redeem all the loans which they make, and it follows, therefore, that the existing ratepayers will, if these Bills are passed, not only have to pay for water, but for the redemption of the stock. What that exactly will amount to will, of course, depend on the number of years allowed to us to redeem the stock; but it is obviously clear that it would amount to a very heavy addition to the water rate, and that, I think, has not been considered. But over and above that, if I may take, for instance, our case in Kent, what we say is this: We have a company which is now paying its maximum dividend. Anything which it makes over and above that maximum dividend, apart from the question of the back dividends (which, I suppose, we shall come to in a few minutes), any profit it makes over and above that maximum dividend is already the property of the ratepayers; and what I say as to the Kent Water Company applies, *mutatis mutandis*, to other companies throughout the district of water London; whatever profit the Kent Water Company makes over and above the dividend which it is now distributing is already the property of the ratepayers and must go in reduction of our water rate. On the other hand, we are running no risk at present.

2947. Then you would be really buying the risk of a loss?—All that we can buy would be the risk of a loss. We have the profit at present

Mr. *Pember*—continued.

present and the company has the risk. If we buy up the company we not only buy up the property which already belongs to us, but we take over the risk of loss which is now theirs. Perhaps I may be allowed to say, from that point of view, the chairman of our Kent County Council called a conference of all the local bodies interested in Kent. They had a long discussion on the question, and after the discussion they unanimously passed this resolution: —"That the conference are of opinion that the Water Bills now before Parliament should be opposed and that negotiations should be opened with the other Home Counties with a view of ascertaining whether they would co-operate with the Kent County Council in endeavouring to obtain a Bill to provide that the right to make up the back dividends should be limited to a reasonable number of years, and that directors should be nominated on the board of each company partly by the Government, partly by the London County Council, and partly by any outside county which is interested in the matter." For instance, taking our case in Kent on the board of direction of the Kent Water Company in order to see that they did what was fairly right by the ratepayers, there should be a representation of the County of Kent, of the London County Council, and of the Government. Taking the case of Middlesex again there would be directors, or a director, to represent the interests of the ratepayers, that is to say, first of all the Middlesex County Council, then the London County Council, and thirdly the Government. What we maintain in Kent is that by that arrangement we should secure practically the control over the water companies, that we should secure the rights to the profits which are already ours, and that we should avoid the risk of loss which we would render ourselves liable to if we, what is called, buy up the companies, we think that our position is quite different from that of other cities in which the companies have not been paying the full statutory dividend; we can quite understand that where companies are not paying the full statutory dividend the case is different, but in the case of the London companies most of which are paying up to the full statutory dividend, we maintain that it would be a very great mistake and a very great hardship to us, as we think in Kent, that we should be obliged to incur a risk which we do not see the slightest reason to undertake.

2948. Such schemes as would satisfy you for Middlesex and for Kent are obviously not schemes which are contained within the four corners of these Bills?—Certainly not.

2949. There is one other question, and only one, unless anything further occurs to you. Did you hear Mr. Harrison say that the council was unanimous in the prosecution of these Bills?—I did not hear him say so, but I have seen in the evidence that he did not say so, and I was very much astonished to see it.

2950. Did I give a fair account of the manner in which the council was divided?—I did not hear that particular part of your speech.

2951. Let me ask you whether what I now suggest to you gives a fair representation of the

Mr. *Pember*—continued.

mind of the council. You moved what I ventured to call, not in any ill sense of the term, a dilatory amendment on the 9th of April?—I entirely demur to the word "dilatory."

2952. I thought you would not like it, but I used it in the sense in which we lawyers understand it. I could not think of another adjective; perhaps, however, if you will kindly read your amendment we need not criticise it at all?—My amendment was, "Before the Council presses forward the Water Bills now before Parliament, the Finance Committee be instructed to report to the Council as to the probable effect on the rate of the purchase of the water companies in the manner proposed by the Bills now before Parliament." (I need not point out that they have been materially modified in a manner which would strengthen the objections from the ratepayers' point of view.) "Having regard to the resolution of the Council for the necessity of an additional source of supply, and on the basis of repayment within the maximum period of sixty years"; do you wish me to state what the result was?

2953. Yes?—The result was that forty-nine voted for the amendment, and sixty-seven voted against the amendment. The Committee will remember that the so-called Progressives on the London County Council, have a large majority amongst the aldermen; if you take therefore the elected members of the Council, the Council were very nearly evenly divided.

Chairman.

2954. Can you tell us exactly the proportions besides the aldermen? — The majority of the aldermen is eight.

Mr. *Pember.*] What is the total number of the aldermen?

Chairman.

2955. Who voted on that occasion?—I could not tell you exactly, but I think they had a majority of seven aldermen on that occasion. That would leave eight amongst the elected members of the Council.

2956. What would then be the numbers of the elected members?—I think you must deduct seven from the majority; the majority was eighteen, and you must deduct some from that.

Mr. *Pember.*

2957. Then what majority would that leave?—That would leave a majority of eight or ten. Then I should like to say with respect to a remark of Mr. Cripps that he stated quite correctly as a matter of fact that there was a subsequent division in favour of going on with the Bills, only the numbers were sixty-six to thirty; but those who opposed going on with the Bills without the necessary information having been obtained, on the main division, did not think it necessary to take another division, and many of them went away not supposing there would be another division. On the London County Council we have a different rule from that of Parliament, and a division can be claimed either by the majority or by the minority. In that case the majority claimed a division after a considerable number of the minority had gone away,

Mr. *Pember*—continued.

and the consequence of that surprise division was that whereas the majority who knew they were going to claim a division remained precisely the same, the minority was reduced by a good many of them having gone away, but the Committee will see that that was purely a surprise division, and really did not represent the views of the Council, because as I say the majority was not increased, but simply a number of gentlemen not expecting the division had left the chamber, as we had had already a long standing.

2958. Of course a great number of what are called the Moderate party on the Council are newly elected and and therefore not quite so well up in the proceedings of the Council as older members?—I think they thought we had the same rule as the Parliamentary rule, and that it was only the minority who could claim a division.

Lord *Robert Cecil.*

2959. There are only two questions I have to ask you on behalf of Middlesex. It is of course of very great importance to the outside authorities to know what approximately would be the cost of this undertaking. Do you know if any estimate of the cost has been placed before the London County Council?—An estimate of the result was placed in a confidential document before the Water Committee, but the Water Committee have not presented it to the public, and therefore I feel I could not refer to that. Our desire was that some such estimate should be made. Our feeling was—here is probably the largest purchase which has ever been made in the history of the world, and surely we ought to know what the probable effects of that purchase are likely to be before we embark in, I do not like to say, so gigantic a speculation, but, at any rate, so gigantic an operation, but the majority of the Council thought otherwise.

2960. In fact no estimate has been published at all?—None.

Chairman.

2961. The only reason why I think the question should not be put, is that if the water companies and the London County Council are to go to an arbitration it would obviously, I think, not be quite fair to state any sum?—Quite so, but I could not very well say none had been made.

Lord *Robert Cecil.*

2962. There is one other question I wish to ask you; we have heard that the County Council has, in fact, approved of going on with these Bills; have they approved the principle of an open arbitration or not?—No, that has never been before them. On the contrary, in 1891, the Parliamentary Committee made a Report, which is signed by Mr. Charles Harrison, in which they strongly recommended the Council not to go on with an open arbitration. They said, with reference to the Bill of that year, "one of the principal clauses of the Bill is so drafted as to place the proposed trust under a statutory obligation to carry into effect the purposes of the Act, not only by acquisition of the companies' undertakings, but also by the enlargement and the improvement of their waterworks, the construction of new waterworks, and the supply of water from new and independent sources," and they say "that is a policy to which it can hardly be conceived that the inhabitants of London ought to stand committed. It is probably no exaggeration to affirm that what is a totally new and satisfactory source of works might be provided at an estimated cost of 10 to 15 millions. This extraordinary scheme might cost London, if carried out by the Bill, some indefinite sum approaching to 50 millions."

Lord *Robert Cecil*—continued.

Chairman.

2963. What was the scheme?—That was the scheme that we should buy under an open arbitration, and then, of course, carry out any works which might be necessary to supplement the water supply of the metropolis; that was no isolated recommendation, because subsequently in September of the same year, that being in the Report of the Parliamentary Committee, our Water Committee made a very exhaustive report on the whole question, and they pointed out that "if we had bought up the water companies under Mr. Smith's valuation, the annuity which Mr. Smith, the Government valuer, would have given to the shareholders in 1890 was 1,056,000*l.*, whilst the actual profits received by the same shareholders in 1890 was only 838,000*l.* showing an excess of the valuer's estimate over the actual profits of 217,000*l.* The aggregate of Mr. Smith's annuities to the shareholders, from 1880 to 1890, would have been 9,550,000*l.*, whilst the actual profits earned by the same shareholders during that period, have been 8,500,000*l.*, showing an excess in Mr. Smith's estimate of 1,057,000*l.* Further, Mr. Smith's annuities would have been Metropolitan Stock, which is, of course, a much better security." Therefore in those ten years the loss to the ratepayers would have been 1 million sterling. Then they went on to say "if we proposed to buy up the water companies under an open valuation it is no exaggeration to say that London might, in this manner, be made to pay from 30 millions to 40 millions in purchasing the undertakings of the companies, and perhaps I might say that the present value on the market of the companies is over 35 millions, independent of the necessary recourse to a further supply."

2964. Do you mean to say that the present price of the stock, having regard to all the companies, represents a capital sum of 35 millions?—Yes, over 35 millions; between 35 millions and 40 millions. Therefore our Water Committee said: "It is no exaggeration to say that London might, in this manner, be made to pay from 30 millions to 40 millions in purchasing the undertakings of the companies, and might then find itself pledged to spend from 10 millions to 20 millions more in providing a new supply. This would, in all probability, be the result of an immediate purchase on arbitration terms, and such a purchase must therefore be resisted at all hazards." That was the report of the Water Committee, and therefore they recommended the Council to pass a series of resolutions.

2965. What

Mr. *Muntz.*

2965. What is the date of that report?—The 22nd of September 1891. I will hand it in: "That the Council, while expressing its readiness, so far as its legal powers enable it to do so, to undertake the duties mentioned in the 1st, 2nd, 4th, and 5th recommendations in paragraph 5 of the Report of the Select Committee, is unable to accept the condition contained in the 3rd recommendation that the Council, if constituted the water authority, should be required to purchase the undertakings of the eight water companies 'by agreement,' or, failing agreement, by arbitration within a fixed period." One of the other recommendations was this, "That in order to arrive at a satisfactory conclusion on this last question (that is, the value to be given for the companies) it is essential before any terms of purchase can be considered, that the liabilities to capital expenditure for new or supplementary sources of supply in the immediate future should be authoritatively ascertained." We submit on the part of Kent, and, I believe, on the part of Middlesex also, that these requirements have never been fulfilled, no such inquiry has ever been made, and therefore we do not know in the least what we might have to give for the water companies; but inasmuch as the whole of the profit made over and above the statutory dividend which is now being made is ours already we submit that the only effect of purchasing is to incur the risk of a loss which, under these circumstances, it is impossible for us in Kent to estimate in any way whatever. The Committee will observe that no resolution of the Council in favour of purchasing under an open arbitration has been passed or is submitted to this Committee. The contention of the Council, which may be correct or incorrect, is that the present value of the water companies is a great deal too high. Mr. Moulton called it, I think, an abuse value, and he stated that it was owing to the ignorance of the public. Mr. Cripps also stated that it was much too high. That may or may not be, but you can hardly say that a person is a purchaser in the ordinary sense if he is not prepared to pay the market value of which he is about to buy. If that market value is very much reduced, that is not, I submit, being a purchaser in the ordinary sense. At any rate, those are the resolutions which the Council passed on the matter.

Lord *Robert Cecil.*

2966. I am not quite sure I followed, but if I understand you, what it comes to is this, that when we hear of the approval by the County Council of the purchase of the water companies, it has been evidence given on the idea that they would have such an arbitration clause as would materially reduce the value of the water companies' undertakings?—I think it is obvious that Clause 6 as it stood expressly provided that certain matters should be taken into consideration by the arbitrator. It also provided in the proviso that the right to make up the back dividends, that the right to benefit by any increased valuation, and any sum to be given for compulsory purchase, should not be taken into consideration by the arbitrator. Well, of course, from our point of view, in Kent, as the proviso would very much reduce the value, without expressing any opinion whether it is fair or not, it would have clearly lowered the price we should have had to pay in Kent for it. On the other hand, if we are to pay the shareholders, whatever an arbitrator may think is the value which ought to be given for the compulsory purchase for the right to make up the back dividends and for the increased rateable value of the district, we say we are being called upon to pay for things which are already our own, because if the increase in the rateable value of Kent increases the profits of the Kent Company it would go in reduction of the price they would have to charge us for water, and therefore we get the advantage of it without making any payment for it. It is ours already, and why should we be called upon to pay for what already belongs to us? Of course, if there is no question of purchase, the question of compulsory purchase falls to the ground, and we should have nothing to pay for that. As for back dividends, Sir William Harcourt's Committee suggested that the right to charge back dividends might fairly be reduced, as they have been in the case of the gas companies, to six years. I myself have no interest in the water companies at all; at the same time I should be sorry to do anything which would be unjust to the water companies, but if the arrangement were made that they should be subject to control, and that their right to back dividends should be limited to six years, I do not think that the shareholders in the water companies would have anything to complain of, because I believe that although we should have to pay nothing more for the water than the present water rates, the security which you give to water companies in the fact that you would save them from the great expense of continual inquiries of this kind, and that you would make their interests the same as those of the ratepayers, would lead them, instead of fighting over these Bills, to come before Parliament, acting both for the ratepayers and the water companies; we believe in that way the shareholders of the water companies would find it to their interests to acquiesce in the abandonment of a part of their right to back dividends, to have certain directors placed upon their boards, and they would see it was to their advantage to do so. It would be a very great advantage to the ratepayers, and we should get the whole of the advantage which we could possibly obtain by buying up the companies without running the risk of loss, which it is obvious must be taken also into consideration. I do not know whether I might point out that four of the companies are already paying their maximum dividend; one of them is paying 9½ cent., which is almost up to the maximum. One is paying 8¼ per cent., one is paying 8 per cent., and the other, about which there would probably have to be a somewhat different arrangement, is paying 6 per cent.; so that practically you may say the great bulk of the capital is already acquiring all that it can acquire by its present legal rights, and that all the further addition to the profits, if matters are left alone, must come in any case to the ratepayers.

Cross-examined by Mr. *Worsley Taylor.*

2967. You have made a remark about some evidence given by Mr. Harrison as to the promotion of the Bill; I did not entirely catch what it was; would you mind repeating it. I think our view was, was it not, that Mr. Harrison had expressed his opinion that the Council were unanimous?—I understood that he had said the Council were unanimous on the matter.

2968. I think I can clear it up by reading his evidence. You will find it on page 14, Question 45, of Mr. Harrison's examination. I will begin at Question 44: "In your opinion is the present policy of the Council substantially the same as that set out in the Report to which you have just referred?—Yes, it is. (*Q.*) Do your opinions individually entirely coincide to-day with those contained in that Report?—(*A.*) Quite; and they are, in fact, so far as I know, the opinions of the Council." Then he goes on to explain himself in this way: "There has never been, I think, any motion to alter, vary, or rescind that resolution or that principle." Then my learned friend, Mr. Freeman, carries on the Question, "As regards the question as to who is to be the water authority of London, do you regard that, as far as the Council is concerned, as a settled question?—Quite; I know that recently Sir John Lubbock has entertained a different view, from public articles that he has written, but in those articles he has said that those are his views, and not the views of the majority of the Council." I suppose that was the evidence you had in mind?—No, not at all. Will you give me a copy of Mr. Harrison's evidence for a moment? What I maintain is that the Council have never yet passed a resolution, so far as my memory serves me (of course, I shall be told it is different), for a purchase by open arbitration. I have read to the Committee the Reports of our two Committees principally concerned with the matter, the Parliamentary Committee and the Water Committee, both of which strongly persuaded the Council from entering into any purchase by open arbitration.

2969. I think I follow you now. Is this your point; that since the discussion which took place the other day with regard to an alteration of the Bill by the elimination of Clause 6, and the substitution at a further stage of something in place of that, there has been no formal assent by the whole body of the Council to proceed with the Bill. Is that your point?—No, that is not the whole point. We have never yet passed a resolution in favour of purchase by open arbitration, but in Mr. Harrison's evidence he stated——

Mr. *Worsley Taylor.*] Of course, Sir John Lubbock cannot carry the whole of the evidence in his mind, and I thought I had found the precise question and answer, but no doubt my learned friend can help us. It was suggested to Sir John Lubbock, and whoever made the suggestion must have had a particular question in his mind. I will pass from it for the moment. I thought I had found the right passage.

Witness.] No; I think you will find there is another passage.

2970. You are appearing here, as I understand, as a witness for the Kent County Council, and for the various Kent authorities, and I suppose in support of the allegations in their petition?—I am a resident in Kent, and I am appearing for the Kent authorities.

Mr. *Worsley Taylor*—continued.

2971. And naturally, appearing for the Kent authorities, you would appear in support of whatever they have the right to set up under their petitions against these Bills?—I am not prepared to commit myself to the whole of their petitions.

2972. Do you desire to go beyond them appearing in that capacity?—I have no desire to go beyond what I have already stated.

2973. Have you read their petitions?—Let me say I have found the passage now; it is Question 998: "You told the Committee that the Council are unanimous in supporting this Bill"? and Mr. Charles Harrison said "Yes." I think I have shown the Committee that the Council were not unanimous. That is the question I had in my mind.

2974. I will read on. I will see what comes of it ultimately. "You have told the Committee that the Council are unanimous in supporting this Bill?—Yes. (*Q.*) As a matter of fact, recently, was not there a motion brought up that these Bills should not be proceeded with; no doubt the majority were not in favour of it, but there was not a very large majority, without the aldermen, against it?—There was a motion brought up that they should not—— (*Q.*) Proceed with these Bills?—No, that it should be referred to ascertain what would be the financial effect of working out the Bill on the purchase, and that was objected to and rejected by the majority, but there has been no objection raised in the Council to the progress of this matter. (*Q.*) Do you know it is a fact that nearly half the Council, those who are either called Moderates or Unionists, are for the control of the water companies, but not for the purchase; is not that so?—No, certainly not, and you cannot refer to a Minute of that sort. (*Q.*) I will not lengthen this?—Will you refer to the Minutes; we speak by Minutes; read the Minute. (*Q.*) That is all I have to trouble you with." That was the answer which you had in your mind, was it?—Yes.

2975. I think what I have read before sufficiently makes the matter clear, therefore I will not pursue it. I will go back now to the position with regard to Kent and the Kent authorities. Do you wish, appearing, as you say, as a Kent man for Kent, to go beyond their petition?—I understand that the Chairman of the Kent County Council is coming in support of their petition, and I think I had better leave him to answer that.

2976. You referred to a resolution passed by a member of the Kent authorities. I see it was a resolution passed on the 14th of March 1895?—Yes, I think that was the date.

2977. And there were present a number of gentlemen representing various authorities. I will not read them, but there were ten or a dozen present. I see this was the result: after some discussion, it was resolved "That the conference are of opinion the Water Bills now before Parliament should be opposed." I suppose by that date

Mr. *Worsley Taylor*—continued.

date the various petitions against the Bills had been drawn; that would be clearly so?—I would rather leave the Chairman of the Kent County Council to answer that question.

2978. I think you may take it from me that that was so. I have ascertained, as a matter of fact, from my clients, on that date the petition of the Kent County Council against the Lambeth Bill had already been deposited. Then it goes on: "That the Water Bills now before Parliament be opposed, and that negotiations be opened with the other Home Counties, with the view of ascertaining whether they would co-operate with the Kent County Council in endeavouring to obtain a Bill." So that the proposal was that you should negotiate with the other Home Counties, with a view to going for a Bill, the objects of the Bill being: 1. "That the right to make up back dividends should be limited to a reasonable number of years." I will stop there for a moment; do you agree with that as a legitimate object?—Yes, I do.

2979. And I see the term used is "limited to a reasonable number of years"?—Yes.

2980. And your own view, as expressed in the House, I believe, is that six years would be a reasonable limit?—Yes; we have the precedent of the gas companies.

2981. Then second: "That three directors should be nominated on each board, one by Government, one by the London County Council, and one by any outside district interested." Did you make proposals of that kind to the other counties?—I am not a member of the Kent County Council.

2982. You quoted this resolution of the conference; can you tell me if any proposal of that kind was made to the other counties?—I am not able to answer that question.

2983. However, you can tell me, then, it has not so far resulted in any such joint action as was suggested?—It always takes some time before different bodies can come together and consider matters.

2984. Were you here when my learned friend, Mr. Pember, was addressing the Committee?—I was here most of the time.

2985. Do you endorse what he said about the desirability of transferring the various water companies to a trust?—I think a trust would be preferable to the plan in the present Bill, because you would be able to select persons for their special knowledge of the case, and also it would have a greater element of permanence; but, individually, my contention is that we have, at any rate in Kent, and in most of the other areas also, already the legal right to the whole of the profit over and above the statutory dividend which is now being paid, and therefore we have nothing to gain by a purchase; all we are purchasing is the chance of a loss. If I have an arrangement with the company, under which, if they get a larger profit, I get the advantage, and if they made a less profit they bear the loss, I submit, as a man of business, it would be very unwise to buy under those circumstances.

2986. I am afraid I have not quite got an answer to my question. Is the Kent view that there should be a transfer to a trust? My learned friend, Mr. Pember, put it strongly on behalf of Kent, and all the local authorities, that that was a right thing to do. Do you endorse that view on behalf of Kent?—I think, as regards the ratepayers of Kent, they would be better off under the other plan.

2986A. Under which plan?—Under the plan of control of the companies without purchase.

2987. May I take it that you do, or you do not, endorse that on behalf of Kent?—No; I would rather control the companies.

2988. Then you are not at one with my learned friend, Mr. Pember, on that point?—No. Not entirely on that point.

2989. Not at all. Is it the view of the Kent County Council that there should be a transfer to a trust?—I think I must leave the Chairman of the Kent County Council to speak for the Kent County Council.

2990. It is difficult to separate you, you know here, as representing Kent, and as representing Kent, do you say it is desirable there should be a transfer to a trust?—I have endeavoured to lay before the Committee my reasons for thinking that we have already a right to all the profits which can be made over and above the statutory dividend which the company is now paying, and therefore we have no object in purchasing, and the only effect of purchasing would be that the ratepayers might make a loss. We cannot make a larger profit and we might make a loss.

2991. My learned friend, Mr. Pember, made another comment I want to call attention to; his second point, his first being there ought to be a trust, so that any Bill dealing with water ought to have been carried out in concert with the various authorities. Do you agree with his complaint on that point?—Yes, I do. We are suffering very much already in Kent from the water being pumped, and if more water is pumped to supply London it will lower our springs, and affect our county generally. There is no doubt there is a strong feeling in Kent that it is very undesirable that a larger quantity of water should be pumped from Kent, and certainly we are afraid if the London County Council obtains control of the sources of supply in Kent that a large amount will be pumped, and that it will not only interfere with the power of the Kent Company to supply our requirements for water, but it will have the injurious effect of lowering the springs which are already gradually succumbing to the effect of the pumping which has already taken place. Now, as long as the matter is left in the hands of the Kent Company they have no interest in supplying the rest of London; they would not do so, but the fear of the Kent authorities, and that I believe is entirely shared by the people of Kent, is that if this company passes into the hands of the London County Council they may obtain a greater supply of water from Kent in order to supply the rest of the metropolis.

2992. Is that their real fear about this Bill?—One of their real fears is that they will have to pay more for the water, and the other real fear is that they will get less of it.

2993. Do you know that we are on the Lambeth and Southwark and Vauxhall Transfer Bills?

Mr. *Worsley Taylor*—continued.

Bills? Will the passing of either of those Bills give the London County Council power to drain a single drop of water from Kent? Follow my question. We are dealing now with the Lambeth and Southwark and Vauxhall Transfer Bills. Would the passing of these Bills empower the London County Council to drain one single drop of water from Kent?—No, I cannot say it would, but our fear is that it would establish a precedent.

2994. You mean to say if we get hold of the Kent Company by a subsequent Bill, without proper provision being made for the protection of the interests of Kent under that Bill, we might hurt you; is that so?—Yes.

2995. May not we consider that when we come to the Kent Bill?—I take it that the Kent authority would be rather afraid if a principle is established it would be applied to the Kent area also.

2996. But do you not know that, so far as a principle is established, this Bill, if it establishes any principle by reason of the agreements which have been made with Surrey and Croydon, establishes the principle that protection should be given to the districts?—No, I think not.

2997. Why?—Because there is nothing in the arrangements with Croydon or with Surrey which would prevent a larger amount of water being pumped from Kent for the supply of the Metropolis.

2998. But in the matter of these Bills, in which Surrey and Croydon are distinctly interested; we have been able, under the terms of the Bills, to come to such agreements as have satisfied those authorities. Am I not right, then, in suggesting, that so far as precedent goes, in dealing with the subsequent Bill of the Kent Company when we come to it, the precedent will be established that the local authorities ought to be protected in some such manner?—We may be quite wrong, but we think that the ratepayers of Surrey will have to pay a higher price for their water under those agreements than they would have to pay if they let matters alone.

2999. Under which agreements?—The agreements with the London County Council.

3000. But how would that affect Kent?—You said, if the same provisions are applied to Kent, and we think if it would increase the cost of water to the ratepayers of Surrey a similar agreement would make it dearer to the ratepayers of Kent.

3001. But if the local authorities mainly interested in Lambeth and Surrey have been able to negotiate a satisfactory agreement to protect themselves why should you not be able to negotiate a similar agreement when we come to the question of the Kent Bill which is not now before us?—Of course we may be quite mistaken, but we think the arrangement is not satisfactory, that it will result in the ratepayers of Surrey having to pay higher prices for their water, and that if a similar arrangement is made for Kent, that the water of Kent, which we think we shall require for our own purposes, will be taken away to supply other districts, and our springs would be lowered.

Mr. *Worsley Taylor*—continued.

3002. Then you think that the Surrey people have made a bad bargain; that is what it comes to?—Yes.

3003. There is no reason why you should not make a satisfactory bargain, is there?—The essence of the bargain, as I understand it, is that the company should be bought up. Our view is that as we are already entitled to all the profit over and above the statutory dividend which the company is now paying, we should get the profit as long as we have proper control under the present arrangement, and that the only effect of purchasing would be, that we should run the risk of a loss which we do not at present incur.

3004. In other words, your Kent circumstances are not similar to those of Surrey and Croydon?—So far as the extent of the increased price they would probably pay for their water is concerned, I take it the circumstances——

3005. But with regard to the sources, your point is that you have the sources in Kent now, is it not?—That is one of my points.

3006. And a great point, is it not?—And a great point.

3007. And you are desirous nothing should be done under this Bill which would prejudice the first pull on that for Kent purposes; is that it?—Yes, we have two points; in the first place, we believe we are liable to have the water taken which we require for the purposes of other districts; and, secondly, that we should have to pay more for the water than we need, and our impression is that under the arrangement Surrey has made, they will be liable to have water taken away from Surrey, and will have to pay more for water. I do not say those are the only points.

3008. Those are the only two main points?—Yes.

3009. Do you agree with me that there is nothing whatever in either of these two Bills that will directly prejudice those points, only your view is that some argument may be drawn on the matter of general principle; is that so?—Yes, I think that is so.

3010. If we say distinctly we are quite content that no such argument as that should be drawn from the passing of this Bill, on those arrangements what harm is there to you? The whole matter is left open, is it not?—If the Committee lays down certain general principles, and applies them to Surrey, we think that the case of Kent will be very much prejudiced in opposing any similar Bill hereafter.

3011. I am quite content, I have made my point; I think it is clear, but I should like to make sure what do you point to in the Bill or in the agreement which will put a higher price on the Surrey people?—At present the Lambeth Company, for instance, is paying all but their maximum dividend, and if it is necessary to lay out, as the Royal Commission thought it would, several millions of money in improving the water supply, that responsibility, as things at present stand, will fall upon the Lambeth Company. If they cannot keep up their dividend the shareholders will suffer. On the other hand, if the Surrey County Council take it over, and if they find they have to spend a very large sum either

to

Mr. *Worsley Taylor*—continued.

to make reservoirs in the Thames Valley or to bring water from a greater distance, that responsibility and that possible loss which would fall, under existing circumstances, on the shareholders would fall on the ratepayers. At present, if the company is more prosperous, the ratepayers will get the advantage, and if it is less prosperous, the shareholders will bear the burden. Under the arrangement which Surrey has made, if the profit becomes larger, the ratepayers will get it, as they do now; but, on the other hand, if large expenses have to be incurred in obtaining an additional supply, instead of there being any shareholders to suffer, it would be the ratepayers who would suffer.

3012. Did you say that the Lambeth Company were now paying their maximum dividend, or very nearly?—Very nearly.

3013. How nearly?—I think they are paying 9 or 9½ per cent.

3014. Do you know, as a matter of fact, that they are paying it?—I think it is 9½.

Mr. *Worsley Taylor.*

3015. What was the last dividend?

Mr. *Rigg.*] Nine and a-half per cent.

Witness.] That is within ½ per cent. of their maximum.

Mr. *Worsley Taylor.*

3015.* Do you complain that there has been no consultation, or no adequate consultation, with the various local authorities in Kent?—I think it would have been better that there should have been a consultation in all the different districts interested in the matter. In Kent we have, I think, 30 square miles within the district of the London County Council, and 128 square miles in the county of Kent, outside the county of London; therefore, the area of the Kent Water Company outside London is larger than the whole area of London.

3016. Has not this matter been very fully discussed with the various local authorities?—It has been discussed, but these Bills were never submitted to them.

3017. I said the whole matter, not merely these Bills; as a matter of fact, was not the whole question of this water supply discussed at a conference in Spring Gardens in May 1891?—There was a conference, but it is impossible to discuss the whole of so great a question in one conference.

3018. I agree; but, as a matter of fact, before then had there not been considerable discussion between the council and these bodies, and considerable correspondence?—There has been some; I should not say considerable. I made no complaint upon that at all.

3019. Of course there were representatives of the council present; there were present yourself, Sir Thomas Farrer, Mr. Dickenson, Mr. Doubleday, Mr. Haggis, in various capacities representing the London County Council, was not that so; then there was Mr. Dixon-Hartland for Middlesex; I will not read all the names; but there were representatives of Tottenham, Hornsey, the Middlesex County Council, Uxbridge, Richmond; I will give the names for

Mr. *Worsley Taylor*—continued.

Kent: Mr. R. Gordon Mullen, representing Bromley and Beckenham Local Boards, Bromley Rural Sanitary Authority, and West Kent Main Sewerage Board; Mr. H. May, Bromley Rural Sanitary Authority and West Kent Board; Mr. Alfred Williams, Bromley Rural Sanitary Authority and West Kent Board; there were also representatives of Watford Local Board and Watford Union Rural Sanitary Authority; Beckenham, Molesey, and Central Middlesex; Southgate Local Board; Suburban Districts Water Supply Committee; Beckenham, Bromley, Dartford, and other Authorities; County Council of Middlesex, Essex County Council and Walthamstow Local Board; East Ham Local Board. Were all those gentlemen present representing the various local authorities?—I believe they were.

3020. Had there been various resolutions which it was intended to propose, having regard to the Bills which were before Parliament, submitted to these various local authorities?—I believe so.

3021. I will come to the resolutions which were discussed and which were actually passed presently; did Mr. Gordon Mullen say this at page 7: "I attend here to represent some two or three of the Kent authorities; if we are going to discuss the proposals as they stand, I would venture, with your permission, to place our views before you with regard to head of proposal No. 1. I should like to suggest, on behalf of the authorities that I have the honour to represent, that proposal No. 1 will be acceptable to them if it could be slightly amended. It is 'That the system of water management and distribution, as generally adopted at the principal provincial towns, would be preferable for applications to London and neighbourhood, rather than the 'trust' system as proposed by the pending Bill. I am going to invite the attention of those present to this, and ask whether you would strike out the words 'as generally adopted at the principal provincial towns,' and insert the words 'local authorities of the various districts.' As far as we are concerned we agree that the London County Council should be the proper authority for administering the water affairs of the metropolis, and we contend that we are the proper authorities for administering the water affairs of our districts. We ask that those words should be inserted, and I am authorised to assert, on behalf of the Kentish authorities, that we should be prepared to accept that proposal with that amendment. Following on the words of the last speaker, I can say that there is no desire on the part of the authorities that I represent to have any representation whatever on any metropolitan trust. We agree that the authority of the district itself should be the proper authority to control its water affairs, and therefore we should not ask for any representation whatever on any metropolitan authority, but would rather be allowed to purchase our own water supply and to administer our own water affairs." Was that said?—Yes, that was said.

3022. You, I see, were in the chair, and I think, a little further down on that page, you said: "The intention is to follow Manchester and other systems which have been laid down, in which the authority for the management of the

Mr. *Worsley Taylor*—continued.

water and distribution is the central authority, although it may draw water from outside that area, or may buy up companies which have a jurisdiction outside their own particular area. The object you have in view is intended to be reserved entirely under proposal No. 3, coupled with 4 and 5. No. 3 is 'that the supply of water to each district in the metropolitan water area, outside the boundary of the county of London, should be, as far as practicable, in the hands of the local authority of such district.'" I do not think I need read any more of that, but I will if you wish?—That, I think, was what Mr. Harrison said. You said I said it.

3023. Was he in the chair?—Yes.

3024. Then Mr. Mullen says again: "I quite understand the views that you have expressed, and on behalf of the authorities that I represent we are quite prepared to accept No. 3 as it stands." (I will come to what that was later). "The only thing we have in our minds is that No. 1 would be more consistent with No. 3, amended in the way I suggested. Of course if that does not commend itself to the meeting, I will not push it further. That would leave the London County Council the absolute control of the supply of water to the district. I quite agree with what the chairman said, that Parliament would not for a moment agree that the London County Council should be only authorised to buy a portion of the undertaking. Take our Kent Waterworks. They supply an area in the district I represent 10 times the area of the district they would supply in the metropolis. But if you take over a water company's undertaking in its entirety, you would take it over and arrange with us aso the remainder, or sell to us the remainder." This is what Mr. Gordon Mullen said, again representing the Kent local authorities?—I believe at that time that was the view of the local authorities of Kent.

3025. Then I think you yourself said this: "Unless that is done, I feel, speaking for Kent" (and I have no doubt the same is the case elsewhere), "wells will be drained more and more, and we shall be more and more deprived of water. The present state of things is bad enough already, and, of course, as population increases, it will go from bad to worse, and therefore I say, on behalf of Kent, that there should be a plan arrived at by which we might introduce into the metropolitan area a supply of water from outside." That was your view then?—Yes.

3026. And as you said then: "I live in Kent, and my interests are Kentish interests." You said that, did you?—Yes; I think I said to a great extent Kentish interests, because I have some London interests as well.

3027. No doubt. Then did Mr. May, representing the Bromley Rural Sanitary Authority, say this: "Mr. Chairman, I represent one or two authorities in Kent, and I think there is no doubt that we are unanimous on two points: First, that the water supply of the metropolis should be vested in the London County Council. Secondly, that the water supply of the areas outside the metropolis should be vested in the local authorities outside the metropolis." Mr. May represents that as a unanimous view. He

Mr. *Worsley Taylor*—continued.

says "we," but whether he means Kent or not, I do not know. At any rate, that was said, was it not?—Yes; but I do not think they had realised the fact that the Kent Company was paying its maximum dividend.

3028. They did not know the position, that is your point?—They knew it, of course, practically; but I do not think they realised it.

3029. Did you further, on page 14, say: "I think that Mr. Baker, if he will kindly consider the matter a little further, will see that our interests in Kent are not what he supposes. The object of this is that we should not be giving too large a price in buying up the interests of the water companies. Of course, eventually all these districts will, to a certain extent, have an interest in common, and if too large a price is paid to the water companies, it is quite clear the water will cost no more than it would do if we were able to buy them on more reasonable terms. Therefore the interests of Kent in that respect are the same as those of the rest." Then you refer to water being pumped. "It is being pumped to a considerable extent at present. Individually I would prefer that that should not be carried on further. The whole question is, that we should not be giving too high a price to the water companies. In that respect our interests are identical. The expense of bringing water from Wales or elsewhere, if required, would not fall especially upon Kent; it should be a matter for the whole of the area. Whether that is done or not it is clear that it is not desirable to give more than a fair price to the water companies that are bought up. In that the interests of the districts are alike. So that at that time your view that it was desirable that London water should be in the hands of London; that there should be proper protection in the districts outside; that it might well be desirable to go outside the existing sources of supply for a fresh supply, and that care should be taken that there were proper and fair terms of purchase, so that London and the districts outside should not pay too much for their water—— ?—I do not see that that follows from the passage you have quoted at all.

3030. Why?—What I say in those passages is that it is quite clear it is to the interest of Kent, as to the other districts, that if we buy up the water companies it is desirable to buy them as cheaply as possible; but I did not say it was desirable to buy them up; on the contrary, I opposed it. From that point of view I said our interests in Kent were the same as those of the rest of the metropolitan district.

3031. Did no one dispute Mr. May's statement when he said that the meeting was unanimous that the water supply of the metropolis should be vested in the London County Council; was that disputed by anybody at the meeting?

Mr. *Pope.*] The authority he was representing, whoever the "we" are.

Mr. *Worsley Taylor.*] Quite so.

Witness.] Of course I must leave Mr. May to explain his own words; but what I rather understood at the time was that he, as representing some of the Kent local authorities, did not wish

to

to interfere with what the London authorities might think to the advantage of London; but he was anxious that the supply of Kent water should be reserved for the county of Kent.

Mr. *Worsley Taylor.*

3032. Quite so; but there were two branches. As a matter of fact, had notice of the resolution intended to be proposed at that meeting been sent to every local authority in Kent?—I believe that was so. I do not know it, but I understood so.

3033. Therefore every local authority in Kent has been invited to send representatives to that meeting with full notice of the matter to be discussed, and of the resolutions to be submitted?—I do not doubt that that was so.

3034. And when Mr. May said, "We are unanimous," whoever he was pointing to there, "first that the water supply of the metropolis should be vested in the London County Council, and second that the water supply of the area outside the metropolis should be vested in the local authorities outside the metropolis." I think, as a matter of fact, at that meeting, nobody disputed either of those propositions?—I take it that Mr. May was stating then the opinion of his own district board.

3035. That might be; but I have called your attention to the fact of the invitation, and was this the fact that there was no dissent from anybody at that meeting to either of those propositions?—I think there has been a change of opinion since then.

3036. That might be. I am coming to that presently. Did you yourself, on page 17, say this: "There are, I think, practically three courses open: either that you should leave the whole supply to the County Council; take the whole supply yourselves; or take water in bulk from us, and then distribute it as you please to the residents in these districts. Practically these clauses give you the option of selecting which you prefer"?—I do not think that that is very clear. I do not understand that this is a verbatim report, and I do not quite understand it as it appears here.

3037. I think the suggestions were made before the local authorities, and you summed them up in three ways as stated here; that was so, was it not?—That was so, having reference to the results which were submitted. The Committee will, perhaps, kindly remember that I was opposed to the purchase of the companies for the resaons I have given, but I was in the minority on my Council. I was Chairman of the Council at that time, and it would have been, I think, improper for me to take an opportunity of a meeting of that kind to air individual opinions which were not opinions of the Council. We had submitted certain proposals to various local authorities, and my remarks had reference simply to those resolutions, and I think it would have been improper for me to start a fresh hare, so to speak, knowing I was in a minority in the Council.

3038. Still, you did point out that there were those three courses open?—As regards these particular resolutions, yes.

3039. Now I come to the resolutions. Were these resolutions put to the meeting? First:

Mr. *Worsley Taylor*—continued.

"That the system of water management and distribution, as generally adopted at the principal provincial towns, would be preferable for application to London and neighbourhood, rather than the establishment of a water trust as proposed by the pending Bill"?—Yes, that was one resolution, but will you allow me to point out that I think the principle of that distribution was that the main localities interested should manage the water. Now in the case of London it is obvious, as everybody can see from the map, that water London is much larger than the London County Council, and it was rather water London, I think, which we pointed at there. Then as regards the trust, it expressly says not as preferable to the establishment of a water trust; if that had been what was meant, it would have stopped there, but it said: "Water trust as proposed in the Bill," and one great objection I felt to the water trust as proposed in the Bill was that it was such a large and unmanageable trust, and in the management of executive business I do not believe it can be done by a very large body.

3040. I believe that before the Committee of 1891 full evidence was given with regard to the provincial corporations which had their water supply as to the proportions inside and out, and all the matters were gone into at length?—I may be wrong, but I thought the Committee of 1891 considered they could not go into those questions, and did not express any opinion upon them.

3041. That is a matter of evidence. Was this the second resolution: "That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency or terms of purchasing all or any part of the undertakings of the water companies"?—Part of the complaint we make in Kent is that that has not been done; that there has been no investigation as to the efficiency of the present sources of supply before this purchase; I mean by the local authorities.

3042. Is that a complaint that Kent makes?—Again, I will leave the Chairman of the Kent County Council to deal with that.

3043. Then the third resolution is, and this is the one I want to call your attention to particularly: "That the supply of water in each district in the metropolitan water area, outside the boundary of the county of London, should be as far as practicable in the hands of the local authority of such district, and within the county of London in the hands of the London County Council," were those three resolutions carried unanimously?—Yes; I believe that is so.

3044. Therefore that meeting, at all events, had before it two matters, a trust as opposed to the system in the large provincial towns?—No, I think not; it was the trust as proposed in the Bill.

3045. The minutes are before the Committee, and we can argue it. Secondly, the supply of London itself being in the hands of the London County Council, and outside London in the hands of the local authorities, and as the result

Mr. *Worsley Taylor*—continued.

of that discussion that resolution was carried unanimously?—Yes, that is so.

3046. Subsequently to that, there was a further conference held between the members of the water committee of the London County Council and certain representatives of outside authorities on the 30th July 1894?—Yes.

3047. Was that conference held as the result of an invitation which had been sent out to all the outside authorities on the 10th July, which I will read: "London County Council, Spring Gardens, S.W., 10th July, 1894. Sir, the council on the 3rd instant resolved that eight separate Bills should be prepared for the acquisition by the council of the undertakings of the eight metropolitan water companies, and gave the necessary instructions to its Parliamentary Committee to prepare the Bills. In considering the terms of the Bills it will be necessary to give due attention to the interests of many local sanitary and administrative authorities outside the County of London, and, in this connection, I am again to remind you of the conference held at this office in 1891, upon the subject of the water Bills of that Session. On that occasion a proposal, to which I have already called your attention in my letter of the 15th March last, was made in the following terms: 'In the event of the undertaking of any metropolitan water company being purchased, any local authority outside the London County boundary, and within the area of supply of such company, shall have the option either (1) of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London County Council on terms to be arranged; or (2) of having water supplied direct by the London County Council.' In my letter of the 15th March, referred to above, I intimated to the local authorities outside London that the Water Committee would be prepared to advise the council to adhere to this proposal. I am now directed to state that, with a view to a discussion of this and other matters connected with the proposed Bills, the Water Committee think it very desirable that there should be a conference with the various authorities interested similar to that held in the year 1891; and I am to invite your authority to depute two representatives to meet the committee at the County Hall in Spring Gardens, on Monday, the 30th July, at three o'clock. I shall be glad to receive the names of your representatives at your earliest convenience. I am, sir, your obedient servant, H. de la Hooke, Clerk to the Council." As a matter of fact, do you know that that was sent to all the county councils; that is to say, the county councils of Surrey, Middlesex, Essex, Kent, and Hertford, and all the local authorities. I have all their names here?—I do not doubt it, if you say so; I do not know at all.

3048. At that conference did there attend, in addition to representatives of the London Water Committee of the County Council, representatives from the various county councils. I see Middlesex, Surrey, Kent, Hertfordshire, West Ham, and a number of local authorities were represented?—At that time I was very busy

Mr. *Worsley Taylor*—continued.

with Parliamentary matters, and I did not attend that conference, so that I am really not well acquainted with what took place there.

3049. We intended to call Mr. Bassett Hopkins, and in the course of his evidence we should have had this, and I think it would be desirable that these two conferences should be on the minutes.

Mr. *Pope.*] You closed your case by your own act, and you must not supplement it.

Mr. *Worsley Taylor.*] Very well then, my only course is to ask Sir John Lubbock a question about it.

Mr. *Pope.*] He says he does not know.

Mr. *Worsley Taylor.*

3050. I will put it in this way. (To the *Witness*): Speaking even where we are now. You are aware that such a conference as that took place?—I do not wish to make any difficulty about it. I believe it was so, but I was not present. I do not know it as my own knowledge in any way.

3051. The suggestion was made strongly by my learned friend, Mr. Pember, that we had not taken the various local authorities into our confidence in promoting these Bills, and it was for this reason that I wish to bring this before you. I am quite content, having read so much, to leave it there. I thought it desirable you should have it all before you?—I do not think there was any intention of complaining that there was any want of courtesy, but I think what the Kent authorities meant was that it was desirable that they should have seen the draft of the Bill, and had an opportunity of making remarks upon it.

3052. I should have liked to have asked you something about this conference, but if you say you are not cognisant of what passed I cannot, and my learned friends will not let me put it on the minutes.

Chairman.] As I understand, this conference to which you are referring now took place either before the Bill was framed or at all events before it was submitted to the representatives of the outside authorities, if it ever was; and as I understand, what Sir John Lubbock complains of, and what the county of Kent authorities complained of, was that they were not consulted as regards this Bill.

Mr. *Worsley Taylor.*] But you see the letter of 10th July says this——

Witness.] I did not say that the Kent authorities complain, and it was not part of my examination-in-chief. I made no complaint at all.

Mr. *Worsley Taylor.*] I quite agree you did not, but my learned friend, Mr. Pember, did.

Mr. *Pember.*] Show me what it is you want to put in. I cannot tell whether I shall object until I see it.

Mr. *Worsley Taylor.*

3053. You will remember the letter of the 10th July says the Bills are being drafted, and

we

Mr. *Worsley Taylor*—continued.

we desire to have the views of the various local authorities with regard to drafting them. Now I will come to something quite recent. Are you aware that on the 6th June, 1895, the Kent County Council resolved unanimously as follows: "That this meeting is of opinion that the Kent authorities should insist on retaining the portion of the Kent Water Undertaking outside the metropolis with the same quantity of water as they now have from the wells outside the metropolis, so long as the Kent authorities can do so without impoverishing the supply to the inhabitants of Kent outside the metropolis. That if the Kent authorities purchase the Kent Water undertaking outside the metropolis the portion of Beckenham supplied by the Lambeth Water Company shall be supplied by the Kent authority and all necessary clauses to carry this into effect be inserted in the documents carrying out the transfer." Are you aware of that?—Will you allow me to say, as I have also the honour of being a member of the London County Council, I am quite sure it was the wish of my colleagues to treat the outside authorities with every possible courtesy. I should like to say that was their wish. I made no complaint as regards Kent, and if I had been asked the question I should have said at once not only the London County Council had every desire to treat the outside authorities with every respect.

3054. I began by asking you, whether you endorsed what has been said by Mr. Pember, you will remember?—Quite so, I remember that.

3055. Are you aware that this resolution was passed on the 6th June, 1895: "That this meeting is of opinion that the Kent authorities should insist on retaining the portion of the Kent water undertaking outside the metropolis, but are willing to supply the metropolis with the same quantity of water as they now have from the wells outside the metropolis, so long as the Kent authorities can do so without impoverishing the supply to the inhabitants of Kent outside the metropolis. That if the Kent authorities purchase the Kent water undertaking outside the metropolis the portion of Beckenham now supplied by the Lambeth Water Company shall be supplied by the Kent authority, and all necessary clauses to carry this into effect be inserted in the documents carrying out the transfer." Are you aware of that?—Yes. As I understand the position of the Kent local authorities, it is that they would prefer a system of control of the water companies, but that if there is to be a purchase they consider they should have the control of the water supply, and give London the present supply which it has from our district, and if they can give more they would not be unwilling to do so. On the other hand, a suggestion on the part of the London County Council is that they should have the water supply and supply Kent, and I believe the Kent authorities consider that as by far the larger part of the area is under their jurisdiction, they should have the control of the water supply.

3056. Quite so, but will you allow me to call your attention to this. We are dealing with the Bills now affecting the Lambeth and Southwark and Vauxhall Companies, and there is not a word in that resolution affecting the Lambeth and Southwark and Vauxhall transfers. Is there?—No; I think not.

3057. All that there is there is something to be done in the event of a subsequent Bill for purchasing the Kent Company being sanctioned.

Mr. *Pember.*] But surely it is a fact, is it not (I may be wrong) that the very same clauses that there are with regard to the purchase by the local authorities outside of the mains and other works of distribution and the clauses as to the supply of water in bulk which are in the Lambeth and Southwark and Vauxhall Bills are common to all the others.

Mr. *Worsley Taylor.*] I quite agree.

Mr. *Pember.*] Then we were discussing the thing as a matter of principle involved in all the eight Bills.

Mr. *Worsley Taylor.*] We have said again and again we are willing to vary these matters, and we have varied them in the case of Croydon and Surrey. (To the *Witness.*) I call your attention again to this matter. Does not this imply that even when you come to the Kent Bill there underlies this a supposition that there is to be a transfer to the Kent Company, and as part of the transfer arrangements may be made, and it would be possible to make arrangements which would satisfy Kent.

Mr. *Pember.*] You do not say you will agree with them.

Mr. *Worsley Taylor.*

3058. Because we have not got to the question of the Kent Bill. (To the *Witness.*) Is not that implied in the unanimous resolution of your Council of the 6th June?—We contend that we cannot benefit by the transfer, and we shall probably lose by the transfer; but if a transfer is to be made then we contend we should have the water in our hands and supply what we can spare to London, on the ground that the collecting area is, by far the larger part of it, in the Kent district.

3059. I represented this at a meeting of the County Council, but I understand it was a resolution passed at a meeting of the Kent authorities. Therefore, does not that imply that provided proper arrangements are made when we come to the question of the Kent Bill they will be satisfied that there shall be a transfer. In other words, where is there one word in that last unanimous resolution of the whole of the Kent authorities which dissents from a transfer provided it be made on proper terms, using the word "proper" from your point of view.

Mr. *Pember.*] Surely this is not fair. As I ventured to put it in the speech I made just now, and it is quite in accordance with what Sir John Lubbock says, the only thing that will satisfy Kent, if there is to be made any transfer at all, is this: that your Bill must be turned upside down, and instead of the transfer being made from the Kent Company to you, and you to dole out to us, at a price to be fixed by arbitration, a certain amount of the water, and you

to sell to us a certain amount of the works for distribution; instead of that, which is the scheme of the whole of these eight Bills with regard to the outside authorities, we say if anything is done at all in Kent, the principle should be absolutely reversed.

Chairman.] So we understand from the witness.

Mr. *Worsley Taylor.*] I feel in considerable difficulty about this matter, because now Sir John Lubbock has admitted that there is no objection whatever taken to the transfer in the two cases before you, the whole point arises now; when we come to the question of Kent I do not know whether it is necessary to go into that matter. We have said again and again the decision on the matter of the Lambeth and Southwark and Vauxhall Bills is not to prejudice the position of anybody with regard to the Kent Company.

Mr. *Pope.*] It is very easily said.

Mr. *Worsley Taylor.*] Are we to argue the question of the Kent Bill?

Chairman.] Is not part of your proposal the general acquisition of the whole of these companies? That is your general scheme, and you have assured us by counsel and witnesses. I think also that it is your intention to go through with that general scheme. Then, is it not fair at this stage for the other County Councils who are concerned in the matter to put forward their objections?

Mr. *Worsley Taylor.*] Undoubtedly. We have said we intend to promote Bills for the acquisition of these various undertakings, including Kent, of course; but are we now to go into the question of the terms of the transfer?

Chairman.] I do not think the witness has gone further than is necessary in order to substantiate his objections.

Mr. *Worsley Taylor.*] According to our view, this raises the whole question of the terms on which such a transfer is to take place.

Mr. *Pember.*] It raises the question of the principle.

Chairman.] It raises certainly the question of the terms in the sense that to a certain extent, as I understand the Surrey County Council is put out of court to a certain extent, and it cannot come here on this Bill; but then the other County Councils, as I understand the case of the Petitioners, say, "We shall be prejudiced if this first Bill is adopted, and we have a right to be heard, because that first Bill is to be the typical Bill of a general scheme, of which we do not propose to separate the various parts, except in point of time." Under those circumstances, I think this is all fair.

Mr. *Worsley Taylor.*] We have said distinctly they are not to be prejudiced.

Chairman.] Prejudice might be explained afterwards in many senses. I think this is the time at which the County Councils, if they are to make any opposition at all, must make it effectually. I do not say whether their opposition is right or wrong a bit, but I should say they are entitled to argue it now.

Mr. *Worsley Taylor.*] Then I would submit——

Chairman.] And they have argued it by the mouth of their counsel.

Mr. *Worsley Taylor.*] But you will remember our witnesses have not been cross-examined upon this point of how far the passing of these Bills will embody a principle which must of necessity affect a subsequent Bill which is not before you.

Chairman.] The non-cross-examination may be a matter of comment, but it was in the discretion of counsel to cross-examine or not.

Mr. *Pember.*] Another thing my friend reminds me of; as a matter of fact, we did cross-examine to this principle, and besides that, we are not responsible for the fact that my friend closed his case after the first three witnesses, and takes Mr. Binnie out of the box, from whom perhaps we might have got a little useful information. The Chairman of the Water Committee was not called either.

Chairman.] I think you had better go on with the cross-examination.

Mr. *Worsley Taylor.*

3059A. (To the *Witness.*) May I take it from you, Sir John, that your only objection to the transfer in the case of the Lambeth and Southwark and Vauxhall Companies is that you are afraid some principle may be laid down which will prejudice your case when we come to the consideration of the Kent Bill?—In the first place, there is the question of purchase. I think the purchase cannot give us any advantage, and will probably land us in a loss. That is the first point; and the second point is (we may regard it as a main feature, and you may regard it as a detail), as I understand the contention of the Kent County authorities, that whereas it is proposed the London County Council should buy up the whole thing and then hand it over to us, we say that will involve many complications, and that if we get rid of eight water companies we shall have 20 local authorities, and an immense amount of expense in distributing the supply, and so on; but if it is to be done at all, as Kent owns the great bulk of the area, and supplies therefore the water, it should be the Kent authorities which buy, and they should supply the water to London rather than the reverse. That, at any rate, as I understand it, the Kent authorities regard as a vital point, but I think it would be better for the Chairman of the Kent County Council to speak upon the point.

Chairman.] As regards the document referred to just now; the invitation to a conference in 1895 was the Kent County Council, a party to it in any way.

Mr. *Pember.*] To tell you the truth, sir, I cannot make head or tail of it.

Chairman.] Because I think the Committee would like to have that document.

Mr. *Pember.*] I cannot see why I should object.

Chairman.] You have a right to object to it.

Mr. *Pember.*] It is a very long document, and I cannot

I cannot say myself I have mastered its meaning up to now, but if my learned friend will entrust this copy to me, and give the Committee another copy if he has one, I have no objection to its going in, and what is more I do not think it would be right for me to withdraw from the Committee any document which would throw light upon the matter.

Lord *Robert Cecil.*] It should go on the notes because it affects all the county councils.

Mr. *Pember.*] Yes. (*The documents were handed in.* See *Appendix.*)

Mr. *Worsley Taylor.*

3060. (To the *Witness.*) I have only one further question on this part of the case when the Bill for transferring the Kent Company comes up. You want to urge these various objections which you have now been urging, do you?—I think the Kent authorities thought, as the Chairman says, we ought to urge them now.

3061. Except for the fear that you will be prejudiced in your right to do that, and in the effect of your opposition, have you for Kent a word to say against the Lambeth and Southwark and Vauxhall Transfer Bills?—I suppose except in so far as they would make a precedent, they really do not affect Kent.

Mr. *Pember.*] With regard to one of the documents just handed in it is headed: "'Proceedings at a Conference held at the County Hall on the 30th of July 1894," and is printed by order; and the first document it refers to is a letter dated the 10th of July 1894. Then there comes a paper which is a report of a conference in the year 1891. Perhaps my friend will kindly tell me whether any resolutions were passed at that conference, whether there was any meeting after the adjournment, and whether any conclusion was come to at all, or whether anything more was heard of the conference afterwards.

Mr. *Worsley Taylor.*] No, so far as I am able to read it, no formal resolution was come to on that occasion.

Chairman.] Still, I think we had better have them for what they are worth until we read them. We do not know how far they affect the matter.

Mr. *Pember.*] Quite so, sir; the only thing I wanted to know was whether there was anything further, because, if so, you would have that as well.

Mr. *Worsley Taylor.*

3062. You read some passages with regard to a proposal of the Bill of 1881 in regard to arbitration?—Yes.

3063. And those were passages from a report of a Parliamentary Committee of the 17th of February, I believe. I think you read part of a passage, the heading of which is "Obligations imposed in trust under Vestry Bill." "One of the principal clauses of the Bill (6) is so drafted as to place the proposed trust under a statutory obligation 'to carry into effect the purposes of the Act,' not only by the acquisition of the companies' undertaking, but also 'by the enlargement and improvement of their waterworks, the

Mr. *Worsley Taylor*—continued.

construction of new waterworks, and the supply of water from new and independent sources.' It has been suggested to us that this is a mere error in drafting; but the explanatory memorandum sent us by the promoters seems to leave no room for doubt that the clause is so framed by design. It would impose on the trustees the 'trust' not only of purchasing the whole of the existing works, but also of constructing new waterworks and supplying water from new and independent sources, a policy to which it can scarcely be conceived that the inhabitants of London ought to stand committed. It is probably no exaggeration to affirm that whereas a totally new and satisfactory series of works might be provided at an estimated cost varying from 10,000,000*l.* to 15,000,000*l.*, this extraordinary scheme might cost London, if carried out as proposed by the Bill, some indefinite sum approaching 50,000,000*l.*" That leads up to the next heading, which is, "Scheme of arbitration under the Vestry Bill," to which you called particular attention. You will find this on page 34 of the notes, "Clause 13 provides that the arbitration board shall consist of four members, to be appointed respectively by the Local Government Board, the Institute of Bankers, the Institution of Civil Engineers, and the Surveyors' Institution. It may obviously be predicted of such a board that the nominee of the bankers would support the interest of capital, the surveyors' nominee would follow the practice (apart from any special provisions of the Bill) in awarding a high value on a compulsory sale, in which he would probably find support from the nominee of the civil engineers. Apart from such purely speculative suggestions as to the policy of these nominees, they are expressly made arbitrators, within the meaning of the Lands Clauses Act (Clause 13, sub-par. 3) so that there is, as it were a statutory direction, not only to award the costs of the arbitration as against the purchasers (subject to some special powers not affecting the principle), but to make the additional allowance in respect of compulsory purchase which has become habitual under the Lands Clauses Act. By paragraph 14, the arbitration board are required to have regard to the value of the undertakings "prior to the introduction into Parliament of the Bill," and so on; therefore the objection to which you refer as having been taken at that time, and I will refer you to another report presently, to which you have referred, was not to what you call an open arbitration, or any such arbitration as is now suggested, but to an arbitration which, as is pointed out there, would be an arbitration under the Lands Clauses Act; is that so?—As I understand, the proviso to Clause 6 being struck out, the arbitrator would take into consideration a compulsory purchase, the right to make up the back dividends——

3064. Which Bill are you referring to?—The present Bill.

Chairman.] Counsel is referring to something else, I think.

Mr. *Worsley Taylor.*] Yes, I am reading from this report which refers to Clause 6 of the Vestry Bill of 1891.

Witness.] I understand these to be additional objections; but am prepared to discuss them. For instance, I think it is quite a mistake to suppose the nominee of the Bankers' Institute is prepared to support the interest of capital, if by that it is thought they would support the interest of the water companies——

Chairman.] Why should we discuss this matter; there is no question of the Institute of Bankers in the present Bill, is there?

Mr. *Worsley Taylor.*] No, but Sir John Lubbock said objection was taken to an open arbitration. What I wanted to call attention to was, what the precise arbitration was, and the reasons for objecting to it in 1891. I have called attention to those words that it was compulsory arbitration under the Lands Clauses Act, and objection was taken on that ground; was that so?

Witness.] No, I think objection was taken on the ground that it might cost London some indefinite sum approaching 50,000,000*l.*, and as the present value of the water companies is over 35,000,000*l.*, and as the London County Council and the Commission both thought new works would have to be made at a very large sum (our own engineer has estimated them even under the Commission at 20,000,000*l.*), it seems quite clear the purchase would cost us at least that, and the Parliamentary Committee advised the Council that that was a policy to which it could hardly ask the inhabitants of London to stand committed, and I think that is practically what would be the effect of the present Bills.

3065. We will see presently; first of all there is the expression under the arbitration "Lands Clauses Act," and it was a Court of Arbitration composed in a particular way to which attention is drawn there. Now you refer to a report of the Water Committee of the 22nd September 1891. Have you that before you?—Yes.

3066. Are there these passages in it. "There are other matters which can scarcely be dealt with by arbitration, but which yet seriously affect the value of the companies' undertakings. For instance, there is in the first place, the question whether the companies can maintain all their present charges if those charges are disputed at law. Their rating powers are various and ambiguous, and there is reason for believing that when they were granted it was never intended that they should be stretched to the uttermost. It is notorious that in Dodd's case certain claims made and enforced by the companies were held to be illegal. The same thing may happen in other cases. Again there is the question whether the companies' rating powers may not be cut down by Parliament. This has already been done to some extent by the Water Rate Definition Act, 1885, and the recent action of Parliament in the case of railway rates shows that statutory rating powers are not unassailable where the case is such as to justify a statutory change. And, surely, if there ever was such a case it is to be found in the law which makes the charges of the companies to increase, not in proportion to the cost to the producer or the benefit to the consumer, but in proportion to the increased and increasing values which, under the Metropolis Valuation Act, are every five years placed on

Mr. *Worsley Taylor*—continued.

London property. Further, there is the question of competition. The companies have, as is well known, no legal monopoly, and the principal difficulty in competing with them is due to the great cost which must be incurred in providing alternative mains and fittings. But those are difficulties which the ratepayers might well, under certain circumstances, think it right to face, especially if a new supply be brought to London at their expense." Now then it goes on, "All these are matters which an ordinary arbitrator would be unwilling, and probably unable to deal with. As a matter of history, Mr. Smith, in the valuation made by him for Lord Cross in 1880, did not take them into account at all, and yet subsequent experience distinctly shows that he was wrong, for since 1880 litigation and legislation has actually restricted the then existing charging powers of the companies, and have thereby reduced their dividends and the value of their shares. To leave such matters out of account in valuing the undertakings for purchase, would be unduly favourable to the companies, and unjust to the purchasing ratepayers; but they would almost certainly be left out of account if the purchase were conducted on ordinary arbitration terms. The companies will, no doubt, as they did in 1880, that London should buy them on the footing of their present dividends, or of their present Stock Exchange value, without reference to their future liabilities, and especially without reference to the question of a new supply. But to do this would be to make London ratepayers pay the companies as if their present supply were inexhaustible and unimpeachable; and then, in all probability, to make the same ratepayers pay enormous additional amounts for supplementing that supply."

Chairman.] What is the object of this recital?

Mr. *Worsley Taylor.*] Sir John was criticising the form of our arbitration clause. I will sum it up in one question, and I have only about six lines more to read.

Mr. *Pember.*] I dislike objecting to proceedings of people on the other side in these rooms, but my learned friend closed his case in the most premature manner the other day, and now he appears to be endeavouring to bolster up the arbitration clause, which is dead, by evidence which he is eliciting from our witnesses.

Mr. *Worsley Taylor.*] Not at all.

Chairman. Will you finish your question?

Mr. *Worsley Taylor.*

3067. "It is no exaggeration to say that London might in this manner be made to pay from 30 to 40 millions in purchasing the undertakings of the companies, and might then find itself obliged to spend from 10 to 20 millions more in providing a new supply. This would in all probability be the result of an obligatory immediate purchase on arbitration terms, and such a purchase must therefore be resisted at all hazards." Was not that the kind of purchase to which you refer as being wrong?—I did not criticise the clause at all. What I said was that I thought this report clearly showed at that time that our Water Committee, and the Council

Mr. *Worsley Taylor*—continued.

Council agreed that they objected very strongly to a purchase by arbitration, and considered that in the interests of the ratepayers it ought to be resisted at all hazards, and I stated that because Mr. Harrison said the Council were unanimously in favour of it.

3068. That was an arbitration under the terms then proposed?—You have read out the terms.

3069. And the objection was on the ground that these matters would not and could not be before arbitrators under that form of clause, and that if those matters were not before him it would result in London having to pay 30 or 40 millions in purchasing undertakings, and then finding itself pledged to spend 10 millions or 12 millions more in introducing a new supply—was not that so?—Yes; I think if you consider the present value in the market of these stocks, which the outside public are ready to give, over 35 millions, you can judge for yourself what it is likely an arbitrator would allot under those circumstances. Then we have the evidence of our own engineer that we should probably have to spend 20 millions on an additional supply within a very short time. It seems to me we come very much to the figures quoted in the paragraph which you have just read, and which the Water Committee of the Council and the Council themselves thought ought to be resisted at all hazards.

3070. Then as I follow you, you would still object to an arbitration Clause which would leave such a result possible or probable?—Of course my interests are entirely those of the ratepayers, and subject to what was fair and proper under the circumstances, naturally our wish would be, if we are to buy, to buy as cheaply as we reasonably can.

3071. And a clause which would leave such a result open you deprecate. Such a result as is set out there, and such reasons as are set out there you would deprecate?—Certainly. I have already given my reasons for thinking the purchase is unadvisable.

3072. Then in your view would it be right that such directions should be given as would ensure the consideration of all such matters as are set out there, by the arbitrators?—I have had no experience of arbitrations, but I have no doubt in the world that the Committee will come to a just and fair conclusion on the matter; but really my opinion upon such a point is of no value. I have no experience of arbitrators, and I do not know what ought to be imposed on the arbitrator. All I have quoted this for was to show that at that time our Water Committee and the Council were of opinion that such a purchase would be extremely undesirable, and I have given my reasons for thinking the only result of it would be that it could not benefit the ratepayers, particularly having regard to the fact that they will have to pay for the amortization of the stock, and they will have to pay a much heavier water rate under such an arrangement.

3073. Assume the transfer on some arbitration terms, will you or will you not favour me with your opinion as to the nature of the terms?—I should be disposed to think that the arbitrator should take those matters into consideration.

Mr. *Worsley Taylor*—continued.

3074. Would you think it right to secure that?

Mr. *Pember.*] I object to this.

Mr. *Worsley Taylor.*] Why?

Mr. *Pember.*] Because you have no right to cross-examine Sir John Lubbock with regard to the terms of a clause which the Committee have already dealt with.

Chairman.] I understand you were going to argue against that decision.

Mr. *Pember.*] We have not been heard.

Chairman.] But if you produce a witness, and if you intend to argue against the decision, I suppose the counsel on the other side is entitled to cross-examine your witness upon it, is not that so?

Mr. *Pember.*] Sir John is not a witness for the Water Company.

Witness.] And really I think I ought to say my opinion on such a point is not of much value. I have not had much experience in arbitration cases, and I really do not know what instructions ought to be given to an arbitrator.

Mr. *Worsley Taylor.*

3075. With regard to the work which would be imposed on the London County Council if this transfer took place, you have of course already, as we know, a Water Committee?—Yes.

3076. Consisting of fifteen members?—Yes.

3077. Do you know that they have been sitting weekly for the last three years?—Practically, yes.

3078. Would you be surprised to hear that between February 10th 1892, and May 20th 1895, that is to say, 121 weeks, there have been 142 meetings of that Committee with reference to water. I think you are a member of the Committee yourself?—I think it is very probable. I do not know the exact number, but no doubt there have been a large number of meetings.

3079. And I suppose the Parliamentary Committee have had a considerable number of meetings with reference to these matters of water?—Yes.

3080. And long ones?—Not many long ones, I think, on the Water Bills alone.

3081. But still it has occupied a considerable share of their time, has it not. Have you any serious fear if the companies are transferred you would not be able to get a Committee out of the Council which would quite satisfactorily deal with this matter?—I think if the Committee really is to manage these water companies it would take an immense amount of time to do the work properly, and I think the Council is already overworked. I have read the opinion of a much higher authority than myself—that is the opinion of the first Chairman, Lord Rosebery, and I think if additional work is thrown on the Council it may result in that work not being well done, and the other work being somewhat neglected. The work is already very very heavy, and I think that is a strong reason against imposing it on the Council unless there be good reason for doing so.

3082. Other towns are able to work their water

Mr. *Worsley Taylor*—continued.

water undertakings, are they not?—There is no other town with 4½ millions of inhabitants.

3083. I quite agree there are none so large, but they are able to do it, are they not?—But the case here is extremely complicated; the water will come from a great number of sources, and I think the questions which come before the London County Council, dealing with such a vast population, are heavier in proportion than those which come before other cities.

3084. Is this an objection which the Kent County Council take, or any of the outside authorities?—You asked me the question and I gave you my individual opinion.

3085. I am asking you in your capacity as a witness, is this an objection which is urged on behalf of the Kent County Council or any of the outside authorities?—I do not know that it is urged in their Petition.

3086. Exactly. How will it hurt them?—That would depend upon what arrangement was made.

3087. It is matter of comment really. You cannot suggest that anybody in London is opposed to it on that ground, can you?—Any Local Authority in London do you mean?

3088. Yes?—I cannot say as to that.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 19th June 1895.

MEMBERS PRESENT:

Mr. Ainsworth.	Mr. Muntz.
Mr. Baldwin.	Sir H. Stafford Northcote.
Mr. Burnie.	Right Hon. D. Plunket.
Sir James Kitson.	Mr. Briggs Priestley.

THE RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

The Right Hon. Sir JOHN LUBBOCK, Bart., M.P., sworn; and Examined, as follows:

Mr. *Pember.*

3089. I BELIEVE my learned friend Lord Robert Cecil wants to ask a question or two on behalf of the Middlesex County Council, in reference more particularly to the West Middlesex Water Company; but in the meantime, in order that the Committee may not be kept waiting, there are one or two questions in re-examination which I will ask. (To the *Witness*) Several questions were put to you about two conferences yesterday, one of which seems to have taken place in 1891, and the other seems to have taken place in 1894. Now I see that in 1891, in the first place, several of the representatives, including my learned friend Mr. Littler, who is chairman of the Middlesex County Council, urged very strongly that the outside authorities should be permitted to retain not only the means of the distribution of the water in their districts, but also their sources of supply; I daresay you recollect that?—Yes.

3090. I will quote one phrase of my learned friend, Mr. Littler's, on that occasion. He says: "We want the independent control from the beginning by Middlesex, first of their source of supply, secondly of their service, and, thirdly, absolute non-interference with Middlesex either as to rating or otherwise. Those are the three heads which we think would meet our view." Then without troubling either you, Sir John, or the Committee to go through the various speeches which seem to have been made on the occasion, I see that the representatives there of the various local authorities echoed that sentiment, so much so that I see you passed three resolutions, with one of which you dealt yesterday, and the second was: "That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency or terms of purchasing all or any part of the undertakings of the water companies. Third, that the supply of water in each district in the metropolitan water area, outside the boundary of the county of London, should be as far as practicable in the hands of the local authority of such district, and within the county of London in the hands of the London County Council." I take it, therefore, after all that had gone on, by supply of water you mean sources to include sources of supply as well as works of distribution?—Yes; that is our view in Kent, that we should have the sources of supply, and the separation of the works, and the mains would be a matter of extreme complexity and expense.

Mr. *Pember*—continued.

3091. There were two other proposals, I see, which were adjourned: "That this should be effected by constituting the London County Council, in the first instance, the water authority for the county of London, and for the adjoining area now supplied by any metropolitan water company." The next was, "in the event of any undertaking"; that is, as to the sale of works, and so on. Those two last appear never to have been passed; but the third, which insisted on the retention in your own hands of the sources of supply generally, was passed, and it is precisely that last one that I read, No. 3, to which these Bills pay no attention whatever; that is so, is it not?—Yes, that is so.

3092. That is all I care to ask you.

Mr. *Balfour Browne.*] I think the third resolution you were referring to, on page 22, is as to the supply of water in each district in the metropolis.

Mr. *Pember.*] I know; I read it.

Mr. *Balfour Browne.*] I understood you to say it had to do with sources of supply.

Mr. *Pember.*] No. If you had followed me a little more carefully, you would have known what I said. I am certain the Committee understand me. I pointed out that all the speeches leading up to that resolution insist on the sources of supply being in the hands of the local authorities.

Mr. *Balfour Browne.*] I thought you only referred to what my learned friend Mr. Littler said, and he was speaking for Middlesex.

Mr. *Pember.*] Really and truly I do not think I ought to get this comment at your hands, because I said distinctly I did not read all the other speeches because they all followed suit, and then I asked Sir John Lubbock what meaning he, at all events, attached to that Resolution No. 3.

Lord *Robert Cecil.*] (To the *Witness*): I understand that there is some statement which you wish to make—I am afraid I do not know what it is—about the West Middlesex Company.

Witness.] I was asked yesterday as regards the dividends of the companies, and I had not the exact figures before me at that moment. I see there are eight companies, of which the Chelsea, the Kent, the New River, and the West Middlesex are in a position to pay the 10 per cent.; the Lambeth is paying 9½ per cent.; the Grand Junction 8½ per cent.; the East London is paying 8 per cent.; and the Southwark and Vauxhall 6 per cent. My argument was that where a company is paying the maximum dividend any additional profits are already the property of the ratepayers. If we take, for instance, the West Middlesex Company, the ratepayers in that district have a right to have their water rate reduced in case the company make any further profit. It is even a simpler case than that of the Kent Company, because they are paying their maximum dividend of 10 per cent.; they have made up their back dividends, and they have already reduced the price of water in consequence of their increased profits, and, therefore, what we say with regard to Middlesex is that we have already the right to any additional profit the company makes, and the only effect, under those circumstances, of our buying up the company is that we undertake the risk which now falls upon the company, and which, if we purchased, would devolve upon the ratepayers.

Sir *James Kitson.*

3093. Arising out of that question, or Question 2966, you point out that practically the great bulk of the capital is already acquiring all that it can acquire by its present legal rights, and that all the further additions to the profits, if matters are left alone, must come in any case to the ratepayers. That is your statement, but that does not apply to future capital. Suppose the water companies lay out further capital, to whom will the profits come—to the water companies or to the ratepayers; that is to say, the increment of value on the new capital?—Any new capital is now raised under special provisions of an Act of Parliament by tender or by debentures, in such a way that the company is only paying the market rate for money, and any profits to go to the ratepayers.

3094. But, still, will not the water company exact a higher rate for new capital than the London County Council would require?—That matter is rather complex. I should be very glad to look it up, and so bring before the Committee an exact statement of what the law is; but Parliament has taken steps to prevent that being done, and so insure that as regard any new capital sums required by the companies they shall only pay the current rate of interest, and that any additional advantage should go to the public.

3095. But, still, that rather affects your argument, does it not, that all the profit now would go, after the maximum dividend is obtained, to the ratepayers?—Supposing, for the sake of simplicity, an additional 1,000,000*l.* is required, they would borrow that at the current rate of interest, say 3 per cent. Supposing the company made out of that expenditure ——

Sir *James Kitson*—continued.

3096. You are assuming that the company would borrow at as low a rate as the county council, are you?—These companies borrow at a very low rate indeed.

3097. Could they borrow at as low a rate?—There is very little difference; there is a difference, of course, but it is very slight—something under 1 per cent. To finish my answer to your question, what I understand is that if the company having borrowed money at, we will say, 3 per cent., makes 5 per cent., that goes into the general profits of the concern, and as out of those profits the company cannot divide more than the statutory dividend, if it is already able to do that, those additional profits go in reduction of the water rate.

3098. Still, they would exact the 5 per cent. before the increased profit came?—But they would return it by lowering the water rate. That is what the West Middlesex Company have done. The West Middlesex Company, having arrived at their maximum dividend and having larger profits, have reduced the water rate, and what I understand the Middlesex authorities contend for is this: They say, "Allow us to have a representative on the board of the company to see (we do not say we doubt it) that the company is dealing fairly by us, and then we get the whole advantage of any profits under the existing arrangements.

3099. But, still, they would require 5 per cent. on your own argument. They would pay 5 per cent. for that capital instead of 2½ per cent., assuming that the county council raises it?—No; they cannot do that. They raise the money, say, for the sake of argument, at 3 per cent., and that is all they could pay; if they make more that goes in reduction of the water rate; that is to say, of the price of the water.

3100. I should like to ask you a question, on your argument, as to the employment of labour. Have you ascertained the amount of labour employed by the existing water companies?—I am not able to give the Committee any precise information upon that point.

3101. Of course it would be largely official labour, not what we know as hand workers; the people employed would be largely officials, would they not?—I believe there is a very large amount of manual labour employed as well.

3102. Then your argument as to the objection to permit the county council to obtain the water works because of the increased employment of labour and increased responsibility would, of course, apply to Glasgow and Birmingham, and Leeds also, would it not; that would be an argument against their having been permitted to acquire their waterworks?—In Glasgow, Leeds, and Birmingham, and all those places, there were special circumstances stated.

3103. That is another matter; but still your argument would apply?—It would.

3104. Then you are probably aware that the corporation of Birmingham has recently been granted powers by Parliament to construct enormous reservoirs and to employ the labour directly itself?—Yes.

3105. I daresay

Lord *Robert Cecil.*

3105. I daresay it has already before the Committee, but perhaps I might be allowed to put the thing quite clearly, as I understand the position. On the original capital of the companies, that is, the capital which has not been created recently, any profit over 10 per cent. goes in reduction of the water rate?—In some cases it is 10 per cent., and in others it is 7½ per cent. In the case of the West Middlesex and the Kent Companies it is 10 per cent.

3106. Do you know that in fact the West Middlesex Company have reached their limit, and have, in fact, reduced the price of water?—That is what I understand to be the contention of the Middlesex County Council; they say that the West Middlesex Company has reached its limit, that they will have to purchase, no doubt having that fact in view—that the West Middlesex Company have reduced their water rate, and if they make any additional profit it will go in the reduction of the water rate, and therefore will come to the ratepayers, and not to the company; and that, on the other hand, whereas under existing circumstances, if there should be a reduction in profits, that loss will fall upon the shareholders, if Middlesex buys, the loss would then fall upon the ratepayers; so that the profit in either case would go to the ratepayers, but if they remain as they are, they are not liable for the loss which they would be if they make the purchase.

3107. And, in fact, I understand that within the last 12 months the Middlesex Company have made a rebate of 10 per cent. on the water rate. Perhaps you do not know that?—I believe they have made a rebate, but what the amount is, or what time it was done, I am not able to state.

3108. With reference to recently created capital, is it not the fact that provision has been made by Parliament in every case, that all profits beyond the interest payable on the debenture stock are to go to a sinking fund in reduction of capital account?—I understand that is so.

Mr. *Balfour Browne.*] I should like to ask one or two questions on what my learned friend, Lord Robert Cecil, has put.

Lord *Robert Cecil.*] That was re-examination.

Mr. *Balfour Browne.*] I did not know that you had examined before.

Lord *Robert Cecil.*] Yes.

Mr. *Balfour Browne.*] But this is entirely new matter. Of course if the Committee think it is not new matter——

Chairman.] No, the question asked by my honourable colleague arose out of the examination yesterday.

Mr. *Balfour Browne.*] Of course, Sir James Kitson has a right to ask any question, but it arises out of what my learned friend, Lord Robert Cecil, asked.

Chairman.] I do not know whether it arises out of questions asked by Lord Robert Cecil or Mr. Pember, but the subject was gone into yesterday. If there is any question arising out of this matter which you think would throw light upon it, there is no objection to your putting it, but you will confine yourself to this point.

Mr. *Balfour Browne.*

3109. Certainly, sir. (To the *Witness.*) First of all I will ask you this, with regard to the limitation of profits which has been put upon the companies in recent Bills, are you aware that they are allowed to have 3 per cent. to pay interest upon the money, and 1 per cent. for management?—I have already stated that Parliament has made arrangements, as Lord Robert Cecil has stated, to secure the interests of the public as regards any fresh issue of stock.

3110. Is that the arrangement which you were referring to, 3 per cent. for interest, and 1 per cent. for management?—I am not prepared to say what the exact arrangement is.

3111. Do you know that besides their 10 per cent., the Kent Company have arrears of dividend, and that they are at present dividing a larger amount than 10 per cent.?—I have already stated so, and that is why, in the case of Kent, the Kent County Council, and the Kent authorities think it fair an arrangement should be made about the back dividends. In the case of the West Middlesex Company the question does not arise, because the back dividends have already been paid.

3112. But you think a fair arrangement ought to be made in reference to that matter; you would not propose to hand over to the company all its back dividends, would you?—Certainly not.

Mr. *Balfour Browne.*] I am not certain that this does arise out of the cross-examination, but perhaps, sir, you will put it to Sir John Lubbock for me. He has been suggesting to the Committee, in answer to what the honourable Member asked him, that in the case of the West Middlesex Company, the public are protected by the fact that the dividend paid is the maximum dividend, and that they have no inducement to charge too much. Will you ask him if it is not the fact that the West Middlesex Company have no inducement to say that, as it is expending upon management charges about three times as much as Southwark and Vauxhall Company, which has an inducement to say (I have the figures here); I do not know whether Sir John knows the fact.

Chairman.

3113. I have no objection to putting that. (To the *Witness.*) Will you answer the question, Sir John?—The Kent authorities thought that it was important that we should have, and that the County Council should have representatives on the boards of the companies, in order to make sure that the companies were really acting fairly by the ratepayers in the matter, but I have no special knowledge of the circumstances of the West Middlesex Company, nor any reason to doubt that they have acted fairly.

Sir JOHN FARNABY LENNARD, Bart., sworn.

Examined by Mr. *Clarke Williams*.

3114. You are Chairman of the Kent County Council?—Yes.

3115. And you are also Chairman of the Bromley Rural District Council?—Yes.

3116. And of the West Kent Main Sewerage Board?—Yes.

3117. And of the Joint Hospital Board?—Yes.

3118. I believe you have been Chairman of one or two of those boards for the last twenty or more years?—Yes.

3119. You have had, therefore, very long knowledge, and full experience of all the local matters which had gone on in connection with local government?—Yes.

3120. Did the greater part of this district, which is now in the Kent Company's area outside London, combine as far back as 1875, and promote a Bill in Parliament, which subsequently became the West Kent Main Sewerage Act?—Yes, that is so.

3121. Since then have they acted together in promoting other Bills and Provisional Orders?—Yes.

3122. As regards the other authorities who are not parties to that board, have they now also joined with you in opposition to these Bills, and passed resolutions supporting you and some of the petitioners against the Bills?—Yes, they have.

3123. In fact, are all the local authorities within this district quite unanimous on this matter, and very strong in their opposition to the London County Council on their present Bills?—That is so.

3124. Did they also oppose the Bills of 1891?—Yes.

3125. Are they further prepared to carry their opposition to the extent of promoting a Bill in Parliament next year, to become their own water authority?—Yes, if it is necessary, either in combination, or through the Kent County Council.

3126. Have they, or any of them, to your knowledge, ever agreed to the propositions embodied in this Bill as regards the outside authorities?—No, they certainly have not.

3127. Were they ever consulted on the draft of this Bill as it stands now?—To the best of my belief, no. In 1891 certain resolutions were agreed to, and certain resolutions were rejected; in 1894 no resolutions were come to at all, and we were never consulted; to the best of my belief, nobody was consulted in the locality in which I live, with regard to the present Bills.

3128. On the contrary, at both of those conferences, did the Kent authorities, as well as the Middlesex and other authorities, express very strongly their views that the propositions now embodied in these Bills were entirely unacceptable to them?—That is so.

3129. And that nothing would satisfy them but the control of their own water supply?—That is so.

3130. One word with regard to the Surrey agreement. Would any agreement on the lines of the Surrey agreement be satisfactory to the Kent authorities?—No.

Mr. *Clarke Williams*—continued.

3131. Would any agreement satisfy your authorities that did not provide for the total independence of Kent from the London County Council?—No.

3132. In your view, do all the arguments which the London County Council have used to support the view that they ought to be the authority in London apply with equal strength to the Kent County Council, or to your authorities outside London?—Far greater strength, in my opinion.

3133. As regards the district, is it a district that in its nearest point is seven miles from Charing Cross, and in its furthest point 18 miles from Charing Cross?—I believe that is so.

3134. And is it outside the London Postal District?—Yes.

3135. And under different Sanitary Acts?—Yes.

3136. With its own system of drainage independent of London?—Yes.

3137. And with its own County Council, and a different class of neighbourhood and population?—Yes.

3138. In your opinion, is it quite wrong in principle, and quite contrary to the feeling of the neighbourhood, that the London County Council should ever have any footing there at all?—Quite so.

3139. As regards your objection to the London County Council in particular, does it, in your view, to use the words of Sir William Harcourt's Committee, "represent the interests or demand the confidence of the water consumers" in that part of Kent?—No; certainly not.

3140. In the opinion of your Board, do you regard the London County Council as being a body capable of dealing with the water supply for such a large district as what has been called Water London, consisting of some 520 square miles?—That is a question which has never been discussed by any Board over which I preside.

3141. Speaking for yourself, with the experience you have, in your view, is it so?—Upon my word, I hardly like to give an opinion. The London County Council are a very capable body of men, and I do not know what they may attain to; but as far as my own opinion goes, if I were one of them, I should be very strongly opposed to having any further duties put upon me.

3142. There you agree, I think, with Lord Rosebery and Sir John Lubbock. Is one of your great objections to this scheme now proposed that it destroys the primary right of Kent to its own water?—That is so.

3143. Do you regard that as a very strong objection going to the root of the whole of their proposals?—I consider the London County Council, coming into our district and taking our water, would be simply disastrous to the whole of West Kent. The supply of water is limited, and

Mr. *Clarke Williams*—continued.

and we should be absolutely without water unless we have it from our own soil, the chalk.

3144. Do you further fear if the London County Council had any control, Kent would be further drained of water, and the wells and streams would suffer?—Certainly, they have already suffered, and would suffer more; the more the water is drained, the more they will suffer.

3145. Do you agree with Sir John Lubbock that they have already suffered by that cause?—Yes.

3146. Do you further fear that if the County Council had the control over the water even in bulk, that they would charge the outside districts a higher price for its own water than the district within London?—I do not think I have any right to give an opinion upon that point.

Mr. *Balfour Browne.*] The witness is not inclined to go all the way with you.

Mr. *Clarke Williams.*

3147. (To the *Witness.*) Then as regards the proposed Welsh supply, is it, in your opinion, right that Kent should in any event be charged for London going to Wales to get a further supply?—Certainly not.

3148. This district is a district which is increasing very rapidly in population, I believe?—Very much indeed; I can give the increase. The population supplied by the Kent Water Company in 1871 was 32,000; in 1881, 49,000; in 1891, 69,000.

3149. As regards the purchase, have you any objections to the London County Council purchasing in the first instance?—Most decidedly; we contend that the water is ours, and we have no wish to have it sold to anybody except ourselves.

3150. If the Kent County Council or the authorities in combination purchase the part of Kent outside London, are they willing to agree to supply the inside part with water from Kent to be used in that district as it is used at present?—Yes, they have always professed to do so, and are willing to do so now.

3151. There is one other point on the Bill I want to ask you about. It is provided in the Bill that the authorities shall not move without the consent of the Kent County Council. Speaking as Chairman of the Kent County Council, do you think that is unnecessary and should not be in the Bill?—It is perfectly immaterial, in my opinion; the County Council would give their permission, if it were asked, in a moment, but I think it is no use referring to them.

3152. You think it is a useless restriction on the authorities?—I think so. The County Council have no interests except those of Kent, and this is a large portion of Kent, an eighth of the whole county, indeed much more than an eighth. The West Kent sewerage district comprises an eighth.

Cross-examined by Mr. *Balfour Browne.*

3153. As I understand, you tell this Committee that the Kent County Council would be

Mr. *Balfour Browne*—continued.

prepared to promote a Bill next Session?—No, sir, I did not say that.

3154. Then I have missed something; I thought if necessary the Kent County Council would promote a Bill to purchase the Kent Water Company's undertaking?—The question put to me was whether the Kent County Council, or the combination, the Kent local authorities, would be prepared to do so.

3155. Then I understand you to say that the County Council might not, but that the local authorities in combination would be prepared to purchase the Kent Company's undertaking?—I do not say that the County Council would not, but I say that they have not been asked.

3156. I understand you are of opinion that the undertaking, that is to say, the water supply, should be in the hands of some public body?—I do not say that. Individually in our neighbourhood we are perfectly satisfied with the supply that we get, and the price we have to pay for the water from the Kent Company.

3157. Then you are not in favour of the purchase by the public authorities of Kent of the Kent Company?—I do not say that, sir.

3158. But you must be either in favour of it or against it, one way or the other; which are you?—If it is necessary, and if Parliament says that the Kent Company is to be abolished, we shall be prepared to purchase it.

3159. Do you really think Parliament will indicate that the Kent Company is to be abolished if nobody proposes to purchase it?—I cannot pretend to state what Parliament will do, in its wisdom, at all.

3160. I understood that your object in getting rid of this Bill was that somebody from Kent might purchase the Kent Company, is that not it?—No.

3161. You want to get rid of this Bill upon some vague understanding that somebody may promote a Bill and then leave the Kent Company alone?—No vague opinion at all; it is that we want to prevent the London County Council from taking our water from us.

3162. We will see about your water immediately; we will come to that. Suppose a Bill were promoted either by the County Council or by the local authorities, what would they propose to purchase; the whole of the Kent Water Company's undertaking, or only a part?—I believe only a part.

3163. Do you think that would be fair to the company?—I really cannot tell you what would be fair to the company; that would be a matter for arbitration.

3164. Would you propose to purchase the part in which all the wells were?—The wells are divided; perhaps you know that as well as I do.

3165. Are most of the wells in Kent in your district?—The greater part of them.

3166. And you would propose to purchase that and leave the pipes in London to be purchased by London, would you?—That is not fairly put. What we say is that we shall be prepared to purchase the wells in the administrative County of Kent, and that we shall be prepared to supply the London County Council with the same

Mr. *Balfour Browne*--continued.

amount of water which they receive from those wells at the present time.

3167. I see; you want to be the purveyors of water?—We do.

3168. Would you mind telling me what this primary right of water which you are talking about, is, because I have not seen it in any Act of Parliament yet?—The primary right is simply this, that if anyone comes and takes away the water from the chalk over which we all live, we shall be deprived of our water, and the whole district will be put to an enormous expense to get water from elsewhere.

3169. Are you aware that the primary right to the Kent water is, under Act of Parliament, in London and not in Kent?—No, I am not.

3170. You are not aware of that. Are you aware that this Kent Company, which is drawing largely on the water from the chalk, was put under an express obligation to supply proper and efficient water for London under the public Act?—I do not know what you mean by "London."

3171. You do not know that?—I do not know what you mean by "London." There was a very populous district——

Mr. *Clarke Williams.*] Not for London at large.

Mr. *Balfour Browne.*] We will see. You have been talking about the administrative County of Kent. Are you aware how much water is supplied altogether by the Kent Company?

Witness.] I have not the figures before me.

3172. Will you take it from me that it is 14,700,000 gallons per day?—No; I will not take it from you.

3173. Very well. Will you take the population that is supplied from me?—No; I will not take that, because I cannot verify it.

3174. Then I will ask you the fact: you have given the population that is supplied in Kent at, I think, 69,000. Are you aware that the population supplied by the Kent Company in London is 411,580?

Mr. *Clarke Williams.*] What figures are you taking, because we do not agree with them?

Mr. *Balfour Browne.*

3175. I do not care whether you agree with them or not. I am suggesting that the population supplied by the Kent Company in London is over 400,000. (To the *Witness.*) Are you aware of that?—No, I am not. I have not got the figures, and I will not take yours.

3176. You will remember we have not at all dealt with the Kent case yet. When the Kent case comes on it will be sufficient to put in the figures. Do you think there would be considerable saving in various ways if these companies were done away with and the undertaking was put into public hands?—I have no opinion on the subject at all.

3177. You have not considered it at all?—No.

3178. You are wonderfully little informed about the matter when you come to tell the Committee you think we should not have the Bills and you would bring in a Bill next year. Have you considered whether there would be any saving?—No, I have not.

Mr. *Balfour Browne*—continued.

3179. Do you know what is being spent annually in collecting the rates of these water companies?—No.

3180. Do you know what is annually being spent in Parliamentary expenses; do you know that it is something like 15,000*l.* a year?—No, I do not.

3181. Would not that all be saved if it got into the hands of the public authorities; have you considered that?—I suppose it would, but really I cannot see what that has to do with the matter before us.

3182. There is no matter before you yet, you know. Has the Kent County Council ever pledged itself to come for a Bill?—No.

3183. Have the local authorities ever pledged themselves to do anything of the sort?—Yes.

3184. Would you mind showing me their resolution?—I have not got it by me, besides which resolutions are passed in *bona fides*, and it does not at all follow they are public documents.

3185. Do I understand that the resolution is to the effect that they want to be the controllers of their own water supply?—That is it.

3186. If you or the local authorities are the controllers for the water supply in your county, do you mind telling me why London should not be the controllers of water supply in its county?—I do not see any reason against it at all.

3187. You say at present the springs and wells in Kent have suffered from the pumping of the Kent water?—Yes.

3188. Is that, so far as you know, owing to the pumping by this Kent Company?—We believe so.

3189. If that is so, I do not suppose you would like further water to be pumped from the chalk, or perhaps you would?—No. There is a large supply of water in the chalk, and although it has been lowered through the pumping, it does not follow that it is to be so lowered that it is to be injurious to us.

3190. I am afraid I do not follow your distinction. Do you want the wells and streams to be affected by the pumping?—We want the supply of water, and we have got it under our feet, and we wish to keep it there, and prevent anyone else but ourselves having the benefit of it.

3191. I thought you wanted it not only under your feet, but in your springs and wells?—I suppose you know what I mean by under my feet; I mean in the soil below where we stand.

3192. But I understood your case was that, owing to its being taken a great way down by the pumps of this company, you were losing it on the surface?—I did not say the surface.

3193. What do you mean by springs and wells? You said they had suffered; what springs and wells?—Wells in the different neighbourhoods, they are all very deep wells in the chalk.

3194. And they have suffered from the pumping?—Yes.

3195. Under those circumstances, supposing the pumping were to cease, you would have to go further a-field for the water, would you not?—I do not understand the question.

3196. Supposing no more water is to be pumped

Mr. *Balfour Browne*—continued.

pumped from the chalk, would you not then have to look for your future supply to some other source?—Most undoubtedly.

3197. Supposing there was another source which commended itself to the county of Kent, the county of London, and the county of Middlesex, do you not think they ought all to bear some portion of the expense of going to that other source?—So long as we have water from that source we object to being implicated in any outlay in going away from our own sources of supply.

3198. As I understand, you say you have read the Surrey agreement. I do not suppose you dispute the right of Surrey to manage its own affairs, as you want to manage your own?—Not in the least.

3199. Is not all this you have been saying rather relevant to the Kent Purchase Bill than to this Bill?—As far as we understand, all the Bills are drawn on the same lines, and what affects one will affect all.

3200. You are perhaps right in that, but let me ask you, have you considered, if these works are to be purchased at all, whether they should be purchased on fair and reasonable terms or upon mere market value; have you considered that?—No.

3201-2. Not at all. You have never given it a thought?—That is a matter to be settled, I believe, in the Bill by arbitration.

3203. I suppose you do not want to pay too much for these works, do you?—No, of course not.

3204. Then you want to buy just as the London County Council wants to buy, upon fair, reasonable, and proper terms?—Yes; if we purchase them at all, we hope to buy them on fair and equitable terms.

3205. You said you had read the Surrey agreement and that you did not agree with it, and that you could not enter into an agreement in the same terms?—Yes; the Surrey agreement would not apply to Kent at all.

3206. Would you mind telling us what you will agree to?—I think I have already stated it; that is, that we wish to be the possessors of all the sources of supply and pumping stations in Kent; that we are willing to supply from those sources the same quantity in bulk to the London County Council that they have at the present time.

3207. And suppose that the population of the piece of London which is supplied by the Kent Water Company at the present time should double, we are not to get a drop more water from Kent?—Our population is increasing in a larger proportion than that portion which the London County Council has lately taken from Kent.

Mr. *Balfour Browne*—continued.

3208. Then, as I understand, the whole difference between us is this, that we propose to purchase the Kent and have a Bill here to do it, and if we purchase, to supply you in bulk; you want this Committee to enunciate the principle that you should purchase the Kent and supply us in bulk?—That is it.

3209. That is the whole difference. So that we are entirely in favour of purchase?—If the purchase is to take place, or the sale is to take place and a purchase to be made, we contend that we are the proper persons to have the control of the water.

3210. Does not that seem to be a matter which could be very readily arranged before we come to the Kent Bill?—I have had some experience in arranging matters with the London County Council, and, with all respect for the London County Council, I hope and trust I shall never have any more.

3211. Then, if that is so, the London County Council must have had some experience in endeavouring to arrange matters with you. Would you mind telling me why; I do not know why this should be said by Kent?—Because they are an extremely clever body, and they endeavoured to take every possible advantage of Kent in the dealings which we had with them.

3212. It is mere modesty upon your part then; you do not feel capable of dealing with the London County Council?—No, I do not.

3213. Would you mind telling me what dealings you refer to in which we seem to have got the better of you, Sir John?—I do not know that you did get the better of me, but you tried.

3214. As I understand, it was with regard to the financial adjustment which was adjudicated upon by Lord Derby's Commission?—That is it.

3215. And if you failed to agree, there was a tribunal to go to?—Quite so.

3216. Why should not you, if you failed to agree in this matter, which is the whole matter between us, be left to arbitration?—Because we prefer not.

Re-examined by Mr. *Clarke Williams.*

3217. Your point is, is it not, that the London County Council should never get control in your own district; and that is not a matter of agreement, but a matter of principle in the Bill?—Yes.

3218. You have been asked about some figures. You, in point of fact, have not gone into the figures at all, I believe?—No.

3219. You cannot even tell us how much the London County Council spend in Parliamentary expenses, or anybody else, I believe?—No.

The Witness withdrew.

Dr. Reginald Maurice Henry Randell, sworn; and Examined.

Mr. *Clarke Williams.*

3220. You are Chairman of the Beckenham Urban District Council?—I am Chairman of the Water Committee of the Beckenham Urban District Council.

3221. Have you carefully considered this matter?—Yes.

3222. Is your authority acting in conjunction with the other Kent authorities in opposing this Bill?—Entirely.

3223. As to the population of Beckenham and its rate of increase, will you give the Committee, shortly, some figures?—The population of Beckenham at the present moment is 23,454 persons.

3224. Will you give us the rate of increase in the last three decades, if you happen to have it?—It was 6,090 in 1871.

3225. So that it is nearly four times what it was 24 years ago?—Yes, about three and a half times.

3226. And the rateable value, of course, has increased also?—The rateable value at the present moment is 187,654*l.*

3227. Have you, in your own district, a well at Shortlands?—Yes.

3228. It does not at present supply you, but is capable of supplying you with water?—There is a well at Shortlands within the parish of Beckenham which belongs to the Kent Water Company, and at the present time it supplies a portion of Beckenham.

3229. Is the feeling on your board, and in your district, strong on this matter?—Exceedingly.

3230. To what effect?—We object to the proposals contained in the Bill. A public meeting of ratepayers was convened, as required by the Municipal Corporations Borough Funds Act, 1882, which unanimously authorised the District Council to oppose these Bills on the grounds set out in the petition presented to Parliament.

3231. I believe you also opposed the Bill of three years ago?—Yes.

3232. Will you shortly tell the Committee your grounds for objecting?—The first ground is that the Beckenham District Council consider, as they are the health authority of the district, they, and not the London County Council, are the proper authority to have the control of the water supply of the district, and they are anxious to join with the other local authorities in Kent in acquiring so much of the undertakings of the Lambeth and Kent Companies respectively as are situated within, and now supply with water, the district of Beckenham and the neighbouring districts of the Kent local authorities.

3233. Even assuming that that combination did not take place, which of the two is the feeling in favour of, the Company or the County Council?—As between the London County Council and the present water companies, we should prefer to remain under the present water companies, as we are at the present moment.

3234. Your district attaches much importance, I believe, to not coming under the control of the London County Council?—Exceeding importance. There are certain objections which we consider to the London County Council having anything to do with our water supply, which perhaps, I may briefly give. First of all, they consider it to be most essential that in any scheme for the amalgamation of the London Water Companies under a central authority they should have the option of complete severance from London, and they are persuaded, if the London County Council is allowed to become the water authority for the whole of Water London, the effect upon the districts outside the present county of London would be most disastrous. Amongst other things, some of the following results might follow: first, the outside districts would be liable for their share of the immense cost of a scheme which, we believe, the London County Council favour, of supplying London with water from a distance from Wales or elsewhere, and the capital charges for such an undertaking would be secured on the rates of these outside districts in common with the metropolis, so that the people in Beckenham or other parts of Kent would have to pay charges for water which would be increased thereby. Then, further, a differential water rate might be levied between the inside districts, the metropolis proper, and the districts outside London.

3235. Are you aware that that is actually being done in Glasgow, and that they are charging as much as 50 per cent. more to the outside districts?—I know nothing about that. Further, that additional water which before long will be required for local use as the districts round London and outside London grow would have to be pumped from Beckenham and its particular neighbourhood, for the supply of London to the possible impoverishment of our own supply. Then the profits which would accrue from the future growth of the districts outside would be absorbed by the London County Council for the benefit of the metropolis, instead of assisting the rates of the local authorities in whose districts the increase takes place. Further, the London County Council, under the Bill, would charge a profit on the water supplied in bulk to the outside authorities, absolutely regardless of the fact that that water might be pumped from the very districts to which the London County Council were selling at a profit. Lastly, the outside authorities, having no representatives on the London County Council, would be absolutely at the mercy of that body, and eventually an attempt might be made to include them in the administrative county of London for all purposes, where the high rateable value would be welcomed for the purposes of taxation, on the plea that the boundary of the metropolis should be coterminous with that of the water district.

3236. As regards the Bill, do you object to the last line in Clause 21, "acting with the consent of the Kent County Council"?—Yes.

3237. Do you think your authority ought to be independent of the Kent County Council?—Certainly.

3238. You object, I take it, from what you have

Mr. *Clarke Williams*—continued.

have said, to the whole of Clause 23, which gives the London County Council power within your district; and at the end of Clause 24, do you also take objection to the last three lines about the protection afforded to the Lambeth Company under the Public Health Act?—I do not know the clause to which you refer.

3239. Very well. Is there any other objection you wish to add. I think one of the objections your Council take in their petition is, that there is no provision for arbitration under Clause 23?—That is so.

3240. But that it is left to the discretion of the Council to agree with the outside authorities or not, as they please, and that there is no provision for arbitration; is that one of the objections which you take to the Bill?—I believe that is so.

Cross-examined by Mr. *Balfour Browne.*

3241. I think the principle upon which you go is, that you should have an option of complete severance from London?—Yes.

3242. And the other matters which you gave were illustrations of what you called the disastrous effects, if that option were not given to you?—They were results which I think might follow.

3243. But you would be content that this Bill should pass if you got a complete option of severing from London?—If we had complete severance, yes.

3244. I think that has been the policy of Kent all along. Do you know Mr. George Mullen?—Yes.

3245. Is he a Kent gentleman?—Yes.

3246. And represents a Kent authority?—Yes.

3247. I see at a conference which has been referred to he said this, and I daresay you will agree with it: "As far as we are concerned we agree that the London County Council should be the proper authority for administering the water affairs of the metropolis, and we contend we are the proper authority for administering the water affairs of our own district." You agree with that?—I agree with the latter part, certainly, but about the other I am not qualified to express an opinion.

3248. But surely you cannot really say, if you are the proper persons to administer the water in your districts, we are not the proper persons to administer it in ours?—I have nothing to do with your district; I am quite certain we should be the authority for our own district. I do not live in the metropolis, and have nothing to do with it.

3249. Do you know Mr. William May?—Yes.

3250. He is solicitor, I think, to the Bromley Rural Sanitary Authority, which is close to Beckenham?—Yes.

3251. He says: "Mr. Chairman, I represent one or two authorities in Kent, and I think there is no doubt that we are unanimous on two points. First, that the water supply of the metropolis should be vested in the London County Council. Second, that the water supply of the areas outside the metropolis should be vested in the local authorities outside the metropolis"?—With the second part I agree most heartily.

Mr. *Balfour Browne*—continued.

3252. You agree again, and apparently he thought you were all unanimous in thinking that you should be the water authorities in your own areas?—Yes.

3253. Then I do not know that there is much more I need ask you. I see as far as this particular Bill is concerned, there is only a very small portion of the Beckenham district that is supplied by the Kent Water Company?—I can give you the figures if they will be of any use to you. The portion of the parish supplied with water by the Kent Water Company is, in area, 413 acres, the population 1,470, and the rateable value 20,763*l.*, excluding railways, gas, &c., while as to the greater portion of the parish which is supplied by the Lambeth Water Company, the area is 3,468 acres, the population 21,984, and the rateable value 142,528*l.*

3254. Twenty-one thousand as against 1,400 population?—Yes.

3255. Do you mind giving the figures of rateable value over again?—The rateable value of the whole district is 187,654*l.*; the rateable value of the district supplied by the Lambeth Company is 142,528*l.*; the rateable value of the district supplied by the Kent Company is 20,763*l.*; the areas supplied by the respective companies are, the Lambeth Company, 3,468 acres; the Kent Company, 413 acres.

3256. Have you any reason to complain in your district of the supply of water from the Lambeth Company?—In what sense? As regards quality, or as regards insufficient supply?

3257. I am asking you as a medical man, as regards quality first?—No.

3258. None at all?—None.

3259. I will ask you now as to quantity; have you any complaint with regard to that?—Yes, as to questions arising out of the late frost, when the means of distribution broke down.

3260. Then, again, I do not suppose you are medically connected with the Local Board at all?—I am chairman of the Water Committee.

3261. Have you a medical officer of health?—Yes.

3262. Perhaps he is not here?—No. I think, perhaps, I could refer to one thing you are wanting. In November last, at the instigation of Mr. Shirley Murphy, the medical officer for the London County Council, Dr. George Carpenter, who is our medical officer of health, suggested to our Council that we should have an inquiry on some cases of diarrhœa which were alleged to have happened just then. Besides myself there is another doctor also on our board, and between us we do a considerable amount of work, and, I think, it was largely our view which led the Council to think it was totally unnecessary, that there certainly had been no diarrhœa in the nature of an epidemic.

3263. Is it not the fact that the instigation came from the South and Upper Norwood authority, the borough of Croydon?—I understood it was from Dr. Shirley Murphy.

3264. Look at that document and see if it is not signed by Dr. Philpot, who has nothing to do with the County Council. Will you read that?—"County Borough of Croydon, South and Upper Norwood Wards and Norbury. The

Mr. *Balfour Browne*—continued.

recent prevalence of floods in the Thames Valley renders it very important that all water should be boiled before being used for drinking purposes. C. W. Philpot, M.D., Medical Officer of Health. Sanitary Offices, Croydon, 30th November 1884." This is the first time I have seen this notice.

3265. I daresay you know Dr. Philpot is the medical officer of health for that district?—Yes.

3266. Supposing you had got the power to supply to your own district, which water would you like to supply?—At the present moment, we are, as I say, mostly supplied by Lambeth. I believe I am right in stating that to get water from Thames Ditton to Beckenham it has to undergo five pumpings, whereas in the parish of Beckenham itself, we have a well which yields a million and a quarter gallons a day, and I think that alone is a sufficient reason for wishing to have the Kent water instead of the Lambeth water.

3267. And you want that if you can get it?—Certainly.

3268. You, as a medical man, will answer the question which of the two waters is best for dietetic purposes, the Lambeth or the Kent Company's water?—The Kent, certainly.

3269. I do not understand you to really complain of our Bill, so long as it is once guaranteed that you, Beckenham, are to have the control of your water supply?—We wish complete severance. We want the works of distribution, we want the option of taking the water from the London County Council; but it must be without any intermediate profit.

3270. That is a question, of course, of agreement?—That is not provided in the Bill at present.

3271. You do not share the views of Sir John Lennard, as I understand, that it would be impossible to arrange these matters with the London County Council?—Judging from recent experience, I think it possibly might, but it does not seem very much like it. What I mean is, judging from recent experience, it is not possible.

3272. What do you mean by "recent experience"; have you been trying to settle this matter?—Yes.

Mr. *Balfour Browne*—continued.

3273. I suppose it is a difficult matter to settle?—I think it is, perhaps.

3274. Is the only point at issue the one which you have put before this Committee that you want to have the control of your water supply?—We want, in the first instance, to have absolute severance from London, so that the London County Council shall have nothing whatever to do with Kent.

3275. Not Kent—Beckenham. You are not the whole of Kent?—No, I am only a piece of it.

3276. You are speaking for Beckenham?—Yes.

3277. With regard to this Lambeth Bill, why should not we have this Lambeth Bill on the terms that you are to have entire severance from London?—That, of course, would be of no use to us without a supply of water from Kent.

3278. Surely it is the first step towards it?—Possibly.

3279. Would there be any objection, suppose it is perfectly guaranteed to you that you are to have severance from London, would you have any objection to our buying the Kent Company on fair and reasonable terms, and afterwards let you have perfect severance?—It depends on what you mean by "buying the Kent Company." We should strongly object to the London County Council having control of the sources of supply.

3280. But supposing the first step towards giving you perfect control is our purchasing, you do not object to that, do you?—There is an objection to it; that would involve a re-sale, which would be costly.

3281. Supposing it is re-sold to you at a fair proportionate price?—Without profit?

3282. Certainly; a re-sale without profit; would you object to that?—I should not be disposed to object to that so much.

Re-examined by Mr. *Clarke Williams.*

3283. But it is part of your case that the London County Council must not have control in any part of Kent?—Certainly; I think I have said so already.

The Witness withdrew.

Mr. GEORGE CHATTERTON, sworn; and Examined.

Mr. *Clarke Williams.*

3284. You are a member of the Institution of Civil Engineers, practising in Westminster, and for many years past you have given special attention to water questions?—I have.

3285. Have you looked into this particular district in Kent?—I have.

3286. I will ask you roughly the present state of affairs. Is the present state of affairs this, that there are Kent wells both in and out of London?—Yes.

3287. That the Kent wells in London are supplying (perhaps you will give me the figures if you have them in front of you) about 8,000,000 gallons a day, are they not?—No; the Kent Company's wells——

Mr. *Clarke Williams*—continued.

3288. I will ask you if they are capable of supplying 8,000,000 gallons; is that so?—They are stated by the company's engineer to be capable of supplying in London, that is to say, the Deptford and the Plumstead wells together, 8,800,000 gallons per diem.

3289. For that district they are at present using, I believe, something under 11,000,000 gallons?—They are being supplied with about 11,000,000 gallons.

3290. So that it would be necessary in order to keep up the present supply in that district to supply them from outside with a minimum of something over 2,000,000 gallons?—Yes. I may say that at the present moment they are not pumping

Mr. *Clarke Williams*—continued.

pumping from the wells within London 8,800,000 gallons; they are pumping not more than 4,000,000 gallons.

3291. They are not pumping, in fact, 8,000,000 gallons, but they are able to pump 8,000,000 in their own district in London?—Yes.

3292. Taking 27,500,000 gallons, the figure given by the Royal Commission as the total possible supply from the wells of Kent, that leaves about 19,000,000 gallons which can be got from the outside?—Yes.

3293. So that if the water authority for the district outside, supposing there to be one, were to supply the inside part in bulk, how many gallons do you suggest would be necessary for present and future requirements?—I do not wish to put down a figure at the present moment; but supposing that the whole of the parish of Beckenham is to be supplied, I will assume, by Kent water——

3294. I was going to deal with that afterwards?—Then supposing things go on as they are at present, I consider that that portion of London which is supplied by the Kent Company must go on being so supplied.

3295. How many million gallons shall we cut off the 19,000,000 for the present and future supply of the intra-metropolitan part of the Kent Company's district?—I think that the very maximum, in addition to what they pump inside their own area, that Kent would physically be capable of supplying would be 10,000,000 gallons per diem.

3296. Taking that as the very maximum, that leaves only 9,000,000, on the figures taken from the Royal Commission's Report, for the outside part of Kent?—It leaves about 9,000,000 gallons for the administrative county of Kent.

3297. So that you would give them more than half what is left?—Yes.

3298. Taking that figure of 9,000,000 gallons, and assuming for the purpose of this answer that it would also have to supply the part of Beckenham which is now supplied by the Lambeth Water Company, how many years, can you tell me, at the present rate of increase of the population, which you have also investigated, it would take before we should overtake that and want the whole of it?—I think that Kent would be able to go on supplying probably to the year 1921.

3299. So that in the year 1921, if we supply ample for the part of Kent inside London, and supply this part of Beckenham, we should then want the whole of the water in Kent, taking the total given us by the Royal Commission?—Yes. I think that figure of the Royal Commission is a figure which must be adhered to. It is based on the company's own evidence given before them. The Royal Commission considered that figure very carefully, and from the fact that they fixed it so close as a million and a half, the figure given by the Kent Company being 29,000,000, I think it ought to be pretty well agreed on both sides that that is the limit of the Kent supply.

3300. On that, when we get to the end of our supply from the chalk wells, we are apparently at the end of our resources, are we not, in Kent?—With regard to that particular area. There is evidence that there is water in other portions of Kent, but you would have to go outside.

Mr. *Lewis Coward.*] I represent the Kent Company here, and that is a statement which has been disposed of some two years ago.

Chairman.] Would not you do better to cross-examine presently?

Mr. *Lewis Coward.*] I cannot cross-examine.

Mr. *Clarke Williams.*] My learned friend Mr. Lewis Coward has not followed my question. I did not say they were at the end of their supply; I said, taking the figure of the Royal Commission of twenty-seven and a half million gallons, this witness, as an expert, says that, in his view, about the year 1921 we should be using the whole of the water upon the assumptions I have put to him. Then he says, beyond that, if we assume that is the total, there is no other place we can go to for our water.

Mr. *Lewis Coward.*] That is not so, you know.

Mr. *Clarke Williams.*] No other place but Kent.

Mr. *Balfour Browne.*] When the opponents fall out the promoters will get their own.

Mr. *Clarke Williams.*

3301. (To the *Witness.*) At the present moment the mains cross the metropolitan boundary in how many places?—In several places.

3302. Would it be perfectly feasible to reduce the number of mains to a small number, say five or so, and to have meters and deliver the water in bulk across the boundary?—I think that to deliver water in bulk across the boundary is simply carrying out what is done at the present moment. At the present moment the water is supplied by the company, and, as I say, there are only 4,000,000 gallons being pumped in the county of London, and whereas the total supply is 11,000,000 gallons, there are 7,000,000 gallons coming over the boundary per day. The only difference would be that that would have to be measured in the future. That, of course, is a very simple matter.

3303. May I take it that from an engineering point of view there is no difficulty in what, for shortness of terms, I will call severance, cutting off the two parts completely except the pipes; I mean severance of control entirely?—None whatsoever, that is supposing that there be a geographical separation, first of all with regard to Kent taking the mains and wells in Kent, and London taking the mains and wells in London.

3304. I want to ask one question about population. You have looked, I believe, into the population. In your opinion, is the population increasing outside London very much faster than it is inside?—No, I do not think so.

3305. Comparing Beckenham with other places, for instance?—Yes; but undoubtedly there is a very large increase in population in London as well.

3306. Is that part within London which can increase rapidly diminishing, whereas the part outside

Mr. *Clarke Williams*—continued.

outside is rapidly pushing farther out?—Yes. As time goes on the population, no doubt, will increase more in Kent than in London, with one exception I should say—the Eltham portion of London, which is at present comparatively rural.

3307. I believe the result of your investigations is that the population is increasing outside London at the rate of about 30 per cent. every ten years?—That has been so in the past, but I think that one ought to be very careful in reckoning that it would not be more so in the future.

Cross-examined by Mr. *Balfour Browne.*

3308. I daresay you know that there are parts of London that are increasing quite as rapidly as Beckenham?—Do you mean parts of the administrative county?

3309. Yes. Take Lewisham; do you know the rate of increase there?—It is considerable.

3310. Let me understand, if I can, your view. Out of the 27½ millions which you merely take from the Royal Commission Report, I think——?—There was an enormous amount of evidence called.

3311. I am not going into it just now, but you take it from their report?—I do.

3312. I understand out of that you are willing to give London 18,000,000 gallons ultimately?—Yes.

3313. And keep for Kent the difference between 18,000,000 and 27,500,000?—Yes.

3314. That is the idea?—That is the idea.

3315. And if that figure, whether it is 18,000,000 or 20,000,000 that we should have, could be adjusted, there would be nothing outstanding except the method by which you are to have the control of your water district?—That would be so. We should have the control of the pumps, and, of course, the regulation as to how much should be pumped from each particular well at each particular time. But you must assume that of that 18,000,000 gallons out of the total supply, I am estimating that something over 8,000,000 comes from within London.

3316. I understand; but I am taking it altogether as 18,000,000 as against the balance; and if that figure (with which I do not agree, because I do not know whether it is right or not); but when that figure is once arrived at, the whole thing would be done except the machinery of your carrying out and having the control in your own district?—Yes.

3317. Do you think that is incapable of being arranged?—It seems so.

3318. Why?—From an engineering point of view I think it is not at all incapable of being arranged.

3319. I am speaking of it from an engineering point of view. There is no impossibility of arranging first the figure, and then the machinery by which you are to have the entire control?—Yes.

Mr. *Balfour Browne*—continued.

3320. Suppose that were done, then you would be in favour of these Bills?—I am not going to go as far as that, but I am in favour of the Kent authorities having the control over their district themselves.

3321. In the sense of ownership, you mean?—Yes.

3322. And if you are in favour of the Kent County Council or the Kent authorities having the control in the sense of ownership in their district, surely the same argument is good for London, is it not?—Do you mean for all the Bills, or this particular Bill?

3323. I am speaking of the administrative county of London; it ought to be the water authority in its district, ought it not?—I am not prepared to say that altogether.

3324. Then why are you prepared to say it with regard to the authorities in Kent?—Because things are rather different; they supply so much of the outside area. The outside area is so much mixed up with the inside area.

3325. But I am assuming an arrangement come to by which the outside areas shall control their own water supply. If the administrative county is left without the outside area, why should it not supply itself?—Then they should have that portion which supplies themselves.

3326. They should?—Yes.

Re-examined by Mr. *Clarke Williams.*

3327. As regards increase of population, my learned friend put it to you that London is increasing as fast inside as outside. Now is it the fact that Beckenham, for instance, has multiplied enormously in the last 30 years?—There is no portion of the county of London that is now being supplied by the Kent Company that is increasing as fast as Beckenham.

3328. Are there other portions that are also increasing 50 and 60 per cent., and so on?—Yes.

(The Witness withdrew.)

Mr. *Clarke Williams.*] I have other evidence, sir, and other engineering evidence; but my learned friend has not cross-examined really to the engineering evidence, so I do not propose to take up time by calling any more witnesses, although I have them here. I think my case is sufficiently before the Committee.

Chairman.] Just as you like yourself.

Mr. *H. C. Richards.*] I propose, sir, to only offer one gentleman on behalf of the Essex County Council. The chairman was here yesterday, but he wished me to say he had other duties connected with the county, and I propose to put one of the aldermen into the box, and then address you on behalf of the Essex County Council.

Mr. WALTER BASTON WHITTINGHAM, called in, sworn; and Examined, as follows:

Mr. *Richards.*

3329. YOU reside at the Drive, Walthamstow, and are one of the aldermen of the Essex County Council?—Yes.

3330. And you are Chairman of the Council's Water Supply Committee, and you are here to take the Chairman's place?—That is so.

3331. As Chairman of the Water Supply Committee, you are perfectly cognisant with all that has been taking place with regard to negotiations with the London County Council?—Yes.

3332. And I think all the chairmen of district councils in suburban Essex are members of your Water Committee?—That is so.

3333. You have, in consultation with the Committee and the Council, carefully considered the principles involved in this Bill?—Yes.

3334. What is your view with regard to the suggestion that the London County Council is the proper body to buy and to supply?—We have considered the question very fully, and there is a perfect agreement that it should be an Essex authority, and not the London County Council.

3335. You are perfectly familiar with both the parts of the district supplied by the East London Water Company, within the county of London, and that within your own county?—Yes; that black line being the River Lea bed, and the outer area is about five times the inner.

3336. The water area of Essex supplied by the East London Company is infinitely larger in Essex than it is in the county of London?—Yes, I believe it is five times the size.

3337. The supplies and the wells round Essex are almost entirely within your county area, are they not?—They are entirely, I believe.

3338. Do you know that within the last few years the supplies in Essex have been increasing by leaps and bounds, while within London they have been decreasing?—Yes, that has been proved.

3339. Is it not the tendency of London, or rather the tendency of London improvements, to drive the people over the Lea into your county?—Yes; the policy of cheap railway fares sends the East London population migrating over the Lea into our districts.

3340. Are you cognisant with the rate at which the population has been increasing in Essex even since the last Census?—In suburban Essex it has been more than doubled each Census.

3341. And since the Census of 1891 is it still steadily increasing?—Yes, most distinctly.

3342. What is the objection of your county council to the purchase by the London County Council of the East London Water Undertaking? Will you give your reasons one by one. I think we have dealt with the first; now take the second?—Our first is that there is this vast growth of the district, and consequently the future pull on the water supply in the Essex district will be to a much larger extent even than it is now.

Mr. *Richards*—continued.

3343. The second one is that you object to the introduction of a foreign authority?—Yes.

3344. Is there perfect unanimity in your County Council in regard to that matter?—Quite so; we think that the Essex area should be controlled by an Essex authority in the matter of water.

3345. Is it also your view that, as the bulk of the works of the East London Company are in Essex, and the bulk of the people supplied are within your county, you should be the purchasing authority, if in the wisdom of Parliament it is decided that the water companies should be sold?—Yes, if that were so.

3346. The area of the jurisdiction of the London County Council, I believe, and your area have not been altered by any recent legislation?—No.

3347. The area of the London County Council was prescribed under the Metropolis Management Act in the fifties, and not altered by the Local Government Act in 1888?—Quite so; and the Essex boundary is not altered in that part at all.

3348. I think the sixth objection of your Council is that your outside authorities might be in the hands of the London County Council, and as to the question of supply in the case of drought, or of frost, London would get the first turn and Essex would get the second?—In the case of drought we assume that the London authority would naturally look first to the demands of its own area, and that outside districts might accordingly suffer.

3349. With regard to the seventh and last reason, do your Council consider it reasonable that there should be two transfers, if the authorities are to become the owners and distributors of the water?—We think, if there is to be a transfer, it should be of such a proportion of the works as Essex wants direct to the Essex authority, and not first to the London County Council and then to the Essex authority.

3350. I think the attention of your Council has been called to the agreement with Surrey?—The attention of some representatives of the Council has been.

3351. That agreement did not meet with the approval of the representatives of the Council?—It did not.

3352. And you reserved your right as to detail on the East London Water Bill Inquiry, I believe?—Quite so.

3353. What is your view as to the future policy of the Essex County Council with regard to a water authority in the county, supposing this Bill were passed?—I think that in suburban Essex there is a very strong desire for the municipalisation of the water. I think, as far as the Essex County Council is concerned, it would take up willingly the view of the suburban districts.

3354. You, I think, represent a very large suburban district, or rather, you did represent it, namely, Walthamstow?—Yes, the Wood-street division of Walthamstow.

3355. Therefore

Mr. *Richards*—continued.

3355. Therefore you can speak with local knowledge of suburban Essex?—Yes; I can speak from many years' experience as chairman of the board for that district.

3356. Do you think it necessary there should be some external authority, such as the Essex County Council, to bring the local authorities together on the subject?—I think so; more particularly because West Ham is also a portion of the district supplied, and it would seem highly improbable that 10 authorities could combine for the purchase; but that they would, and I believe they do, naturally look to the Essex County Council to act for them in the matter, and to that Council to constitute the authority in the suburban district.

3357. And I think I may take it that you know, from information supplied you yesterday only from the West Ham authorities, that the population is practically a quarter of a million in the borough, and in the county it is the same, that is to say, of the area supplied by the East London Company?—The West Ham Union would be about half a million, and the West Ham borough, I believe, a quarter of a million; that is the present estimate of the population.

3358. With regard to the outside area in your county, what would you put the population down at, roughly?—Do you mean beyond the West Ham Union?

3359. Yes, beyond the West Ham Union?—Probably it is not more than 20,000, if so much.

3360. Your Council, I believe, is anxious that, whatever is done by these Bills, you may be on equal terms with the London County Council, and not under them in any way?—We think that in the passing of this Bill there should be clauses which would enable the Essex County Council to act, as at present it cannot act. It has no right at present to promote a Bill itself.

3361. Is there any other point which you would like to lay before the Committee?—I do not know that there is any other.

3362. Are you cognisant of the difference in prices between water supplied to you in Essex, and water supplied generally, not by the East London Company, in the area of London?—By the statistics it would appear that the supply of the East London Company is cheaper than the supply of any other company, and those returns would make it rather an alarm to Essex that, if there should be a general purchase, and one authority, controlling all, that they might level up Essex to the charges of other districts.

3363. The present price in Essex, I think, is about 4*d*. ·635 for 1,000 gallons, and in London, it is about 7*d*., with a decimal of 425?—The latter figure is the average.

3364. Would your Council view with great alarm any average being taken which would put a fresh burden upon you in Essex?—Certainly. I have the statistics before me.

3365. Is there any other point you wish to mention?—I only hope I have made it quite clear that it is the feeling of the Water Committee very strongly, that in the Bill now before Parliament, if it is to become law, there should be clauses giving Essex power to buy direct, and we believe that the Essex position is rather exceptional, because the supply is so distinctly large in Essex in proportion to that of the metropolitan area.

Mr. *Richards*—continued.

Cross-examined by Mr. *Worsley Taylor*.

3366. You know that some of the Essex local authorities have got petitions against this Bill, do you not; West Ham, for instance?—Yes, I understand that.

3367. I do not know whether you are aware of the fact that we have arranged with them

Mr. *Richards*.] No, I have it on the authority of the Parliamentary agent only yesterday, in consultation with Mr. Whittingham, that you have not arranged.

Mr. *Worsley Taylor*.] I do not know that my learned friend has heard yet what I was going to say. (To the *Witness*.) Do you know that they have got a petition?—West Ham has a petition against this Bill.

3368. Do you know that we have arranged with them, and have agreed so far as we are concerned, that nothing that is done on this Bill shall in any way prejudice their rights under that petition at a subsequent stage. I only want to know if you are aware of it?—That we understand also to be our position.

3369. I want to make it clear before the Committee. We are particularly anxious nothing we do here shall prejudice that arrangement. Now a word upon your own Petition. As I understand you, you are strongly in favour of municipalisation of the water?—I am personally. I think, if I speak for the Essex County Council as a Counsel, I could not say as much.

3370. That is your own individual view, is it?—Yes, that is my own individual view.

3371. What is the view of the County Council in that respect?—The County Council has expressed its opinion again and again in opposition to the arrangement proposed of purchase, which would appear to take away from them a portion of their area, and the control of it.

3372. That is not the point I was referring to. You have given me your own personal view that there ought to be a transfer to some municipal authority?—Yes.

3373. Is that also the view of the County Council?—I believe they would support that view.

3374. Have they expressed that view yet?—They have expressed their opposition to this Bill by the arrangement.

3375. But have they expressed a view on that point?—Yes, in the way I have put it.

3376. That is, that your own individual view was——?—No, that they would be prepared to accept clauses which would constitute them the authority to purchase direct the sources of supply, and the means of supply requisite for the Essex district.

3377. In this Bill?—Yes; they would like to see those clauses in this Bill.

3378. I do not mean this Bill, but when we come to the East London Bill?—Yes, of course, but the principle is being discussed now, as I understand.

3379. As

Mr. *Worsley Taylor*—continued.

3379. As I understand you, when we get to the stage of the East London Bill, your view is that the County Council would be prepared to accept clauses which would constitute them the water authority in Essex, is that it?—Not quite that; which would enable them to constitute a water authority in Essex.

3380. Would that be the County Council?—The County Council of Essex constitute a water authority in the suburban part of Essex.

3381. And the body would be the County Council?—I take it it would not ultimately be, except by some representation upon it.

3382. But I want to see what is in your mind, and what clause you would suggest when we get to that view that the County Council would be the authority to purchase in the first instance?—Yes.

3383. That would be so?—Yes.

3384. With the view of their ultimately making some arrangement with the various local authorities?—That is so.

Chairman.

3385. But which County Council?—The County Council of Essex.

Mr. *Worsley Taylor.*

3386. You never heard the suggestion then, still less a resolution, that the Essex County Council propose to introduce a Bill for that purpose?—No, certainly not; they have no power.

3387. Supposing you got such a provision as that introduced into the Bill, when we get to the East London Bill, I gather as you would safeguard Essex, so you would safeguard London; as Essex should be the Essex authority, so London, in your view, equally might fairly claim to be the London authority?—Certainly.

3388. And that you would propose to do by a re-sale to them?—A re-sale from London to Essex, do you mean?

3389. No. You propose that Essex should buy?—The Essex County Council would buy in the name of the suburban districts, and on their behalf.

3390. So I understand. Tell me what Essex would buy exactly; would it be the whole thing?—If the London County Council were prepared to arrange to take water from them, then probably, yes.

3391. You would buy the whole thing. Your present idea is that. It has never been discussed?—Yes, very much discussed.

3392. May I take it that that is the view of the County Council, or your own view?—The view of the County Council.

3393. You might buy the whole thing in the first instance, and then hand over whatever might be right and just to London?—Yes.

3394. There would be no difficulty in that? or have you seen any difficulty?—Not if the suburban districts stand as they do now; one cannot commit oneself absolutely.

3395. I do not want you to commit yourself absolutely, but you see no difficulty, engineering or otherwise, in arriving at a just arrangement, do you?—At the same time, the other arrangement is the one which has been chiefly discussed.

Mr. *Worsley Taylor*—continued.

3396. Kindly follow me; you see no difficulty in arriving at a just arrangement of some kind?—Certainly not.

3397. Engineering, or otherwise?—You said, "of some kind." The belief expressed professionally by high authorities is that it would be quite practicable to divide the sources and means of supply so that the purchase need not be for Essex districts of the whole, but of such part as they would really require, and that seems to be the preferable position.

3398. If you did not find that possible, it would be quite possible that you should buy the whole, and hand over a certain part, to be agreed afterwards, to London, and on terms to be agreed?—I think either of those arrangements might be made.

3399. And, as I understand you, that matter would require the assent of these various local authorities?—Yes, it would be done by the Essex County Council (which is considerably rural in representation) in the interests and on behelf of the London districts of Essex.

3400. And with the assent of the various local authorities in Essex?—Yes, and also it would require most distinctly the assent of West Ham borough.

3401. No doubt, before you could carry it out, you would want the assent of all?—Yes.

3402. And if you did not get it, I suppose there would be a little difficulty?—Yes; I think the vote of the County Council of Essex would certainly not wish to coerce in any way the London district, but rather the other way.

3403. Quite so; if you found strong views on the part of any local authority, you would not feel justified in coercing them?—Certainly not.

3404. If that is so, why cannot the operation be turned just the other way up; we purchase, and hand over to you; what is the objection to that?—Our purchase in Essex would be for Essex authorities, and for Essex people in their name and on their behalf.

3405. Take it that our purchase is for London, and on their behalf; what is the difference?—That does not seem to me to be the same thing.

3406. I agree it is not the same thing, but I put it to you it is the same thing turned the other way up; where would be the difficulty?—It would be a purchase of the Essex sources of supply by a foreign authority to Essex.

3407. And that you would object to?—That is objected to very strongly.

3408. Why should not London object to a foreign authority buying and handing over to it?—Simply because the sources are in Essex, and not in London.

3409. If you get the thing on fair terms, does it make much difference to you who it is that buys?—It might not, I admit.

Re-examined by Mr. *Richards.*

3410. You would not object even to a general purchase, but what you do object to is a purchase by London and a resale to Essex?—We think that is not likely to be so satisfactory to Essex as

Mr. *Richards*—continued.

as the arbitration being direct between the water company and Essex.

3411. You have not, of course, gone into the engineering questions?—No, I speak only on principle. I am only speaking on the principle of the Bill, and not on details.

[The Witness withdrew.

Mr. *Richards* was heard to address the Committee on behalf of the Essex County Council in opposition to the Bill.

Lord *Robert Cecil* was heard to address the Committee on behalf of the Middlesex County Council and the Hertfordshire County Council in opposition to the Bill.

[Adjourned till To-morrow,
at a quarter-past Twelve of the clock.

Thursday, 20th June 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. D. Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

The RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

Lord *Robert Cecil.*] BEFORE I call Mr. Beachcroft, I should like, sir, to say this. In the ordinary course, Middlesex would desire, of course, to put into the chair the Chairman of the Middlesex County Council. It is in this respect unfortunate that our Chairman is Mr. Littler, a very able Chairman in all other respects, but he is engaged in these Bills, and unless the Committee desire to see him, although he is undoubtedly the best acquainted of anybody in the Council on this question, he does not feel he ought to offer himself.

Chairman.] Whom have you to substitute for him as a witness if he does not come?

Lord *Robert Cecil.*] The best substitute, I think, would be Mr. Bigwood, who is the Chairman of the Parliamentary Committee.

Chairman.] I daresay Mr. Bigwood will be able to give us the evidence you wish to place before us. Of course we should all be very unwilling to put my learned friend Mr. Littler to any inconvenience, and if you find you can make what case you desire to make by the mouth of Mr. Bigwood, perhaps you will not have to call Mr. Littler.

Lord *Robert Cecil.*] Quite so, sir. It is the kind of observation that might be made which prompts him. Before I call any one representing the Middlesex County Council, I should propose to put Mr. Beachcroft into the chair, if he is here.

Mr. RICHARD MELVILL BEACHCROFT, sworn; and Examined, as follows:

Lord *Robert Cecil.*

3412. I BELIEVE you attend here on a Speaker's Order, and you are in no respects a Middlesex witness in the sense of being bound up with the interests of Middlesex, or anything of the kind?—No. I am an unwilling witness. I come here under compulsion, and I am bound to say I would rather not be here at all. It is always unpleasant that a member of a body should be called as a witness in connection with a matter in which that body is concerned.

3413. Of course that makes my task to some extent a more difficult one. Perhaps I had better ask you this: You did write an article in a magazine in February, the "National Review," I think?—Yes, I did, last February.

3414. Did that article express generally your views on this question, and on others?—Yes.

3415. I shall have to put some questions to you arising out of that article; but before I proceed to that I should like to ask you something about a very much more recent matter. A meeting of the London County Council was held last Tuesday, I believe?—Yes; the usual weekly meeting.

3416. At that meeting did a debate take place with reference to Clause 6?—A report was brought up from the Parliamentary Committee.

3417. Could you tell me at all what the nature of that report was?—I think I have in my bag the report itself: it had reference to Clause 6.

3418. Can you state to the Committee what the terms of that report were?—Yes; I have it here. The Parliamentary Committee brought up this recommendation. After quoting the Chairman's decision of the 12th June, the recommendation brought up was: "That we be authorised to draft an alternative clause in substantial agreement with Clause 6, but following, so far as may be possible consistently therewith, the indications of the Chairman of the House of Commons Committee." That was the recommendation the Parliamentary Committee brought up last Tuesday.

3419. Did a debate take place upon that recommendation; you are a member of the Parliamentary Committee, I think?—I am a member of the Parliamentary Committee.

3420. Did a debate take place in consequence of that recommendation; I think, on the motion that the recommendation be adopted?—The real facts were, that I, being a member of the Parliamentary Committee, rose in my place, and dissociated myself from this particular recommendation. I was followed, I think, by Sir John Lubbock and by Mr. Cohen, if my memory serves me rightly; and subsequently the Vice-Chairman of the Council, Mr. Benn, moved that all words after the word "clause" in the first line be left out, that is to say, that the clause should run, "that we be authorised to draft an alternative clause," leaving out all words after that. That was seconded and carried. Subsequently Mr. Evelyn moved, and I seconded, an amendment to the effect that the clause

Lord *Robert Cecil*—continued.

clause should be submitted to the Council for its consideration. That was carried by a very large majority.

3421. Has the Parliamentary Committee drafted that clause?—The Parliamentary Committee sits this afternoon at 5 o'clock, and, I take it, we shall meet then for the purpose of considering that clause.

3422. When will that clause be submitted to the Council for ratification?—That I cannot say; it depends, of course, entirely on what conclusion the Committee may come to this afternoon.

3423. And the next meeting of the Council is when?—Next Tuesday.

3424. In the course of that debate, did Mr. Stuart make some observations; who is Mr. Stuart, by the way?—He is one of the elected members of the Council.

Mr. *Balfour Browne.*] This is all very interesting, but I do not see how it bears on what we have to do.

Lord *Robert Cecil.*] We shall see. We are anxious to see what the Council intend.

Mr. *Balfour Browne.*] I am here representing the Council, Mr. Beachcroft is not, with great respect to Mr. Beachcroft.

Chairman.] We have had a good deal of evidence already as to the proceedings of the County Council in this matter, and I think there is no objection to hearing what Mr. Beachcroft says.

Mr. *Balfour Browne.*] None at all.

Mr. *Pope.*] I think I ought to say that the opponents have been made aware of what took place on Tuesday, and they attach so much importance to it, that when it is placed before the Committee in a regular form through Mr. Beachcroft, I shall ask you to consider the position of the opponents, and what should be done in consequence of it.

Lord *Robert Cecil.*

3425. (To the *Witness.*) I was asking you whether Mr. Stuart did not, in fact, convey something to the Council. Mr. Stuart is a member of the majority of the Council, is he not?—Yes.

3426. And a very influential member?—Yes; and very representative.

3427. Is this a fair report of the substance of what Mr. Stuart said. Did he say that the aim of the majority of the Council was to knock down the value of the water companies' undertaking to a figure which will make their acquisition probable, and did he wind up the debate by stating, in effect, that unless the Bills contained such instructions to the arbitrators who were to settle the price as will insure this end, he should unhesitatingly recommend their withdrawal?—No; he made no such observation on Tuesday last, but I do recollect that earlier in the year observations were made by Mr. Stuart somewhat to that effect, but I do not remember those remarks last Tuesday. I think that must have been some time in the earlier part of the year.

Lord *Robert Cecil*—continued.

3428. Then, as I understand it, the Council are at present considering what proposal they shall make to take the place of Clause 6?—That is so. Clause 6, of course, being a vital clause.

3429. Would you mind glancing at this document (*handing a document to the Witness*). Will you refer to page 11?—Yes. I have it here.

Mr. *Balfour Browne.*] Would you mind telling us what it is.

Lord *Robert Cecil.*] It is a verbatim report of what took place at the County Council.

Chairman.

3430. On what day?—On the 18th June.

Lord *Robert Cecil.*

3431. I am going to ask Mr. Beachcroft whether it is substantially accurate. I am informed it is a verbatim report. (To the *Witness.*) It is rather too much to ask you whether that is all accurate?—No, I cannot say that.

Chairman.

3432. Who does it purport to be published by?—Hollams Sons, Coward and Hawkesley, of Mincing-lane.

Mr. *Balfour Browne.*] The solicitors to one of the Water Companies.

Witness.] I know nothing about the document.

Lord *Robert Cecil.*

3433. I understand this was a shorthand report, taken by the solicitors to the Water Companies on their behalf. (To the *Witness.*) Are you able, glancing at it, to say it appears to be a verbatim report?—It supports exactly what I stated to the Committee just now; and on the division I see there was a majority of 30 in favour of all the words after the word "clause" being omitted.

Mr. *Balfour Browne.*

3434. What page are you alluding to?—At that moment I was alluding to page 24.

3435. For the amendment, 40; against, 10?—Yes.

Lord *Robert Cecil.*

3436. The Moderate Members did not vote against the proposal, is that it?—Apparently not.

3437. Of course. I do not know what difference these proceedings in the Council may make, but I shall proceed with Mr. Beachcroft's examination, subject to anything that may be submitted to this Committee. (To the *Witness.*) You wrote an article, as I was saying, in the February number of the "National Review." Is it your view that the London County Council are a body who are able to undertake the enormous additional work which the management of these water undertakings would mean to their present labour?—In my own opinion, as at present constituted, the Council is not able to undertake

Lord *Robert Cecil*—continued.

undertake any further duties, and certainly not the very large duties involved in the management of the business of the eight Water Companies.

3438. You say that you do not think they are a body which are able to undertake this work; have they, in fact, a very large amount of work on their hands?—They are absolutely overworked.

3439. Can you give any details to the Committee showing the kind of work which the County Council have at present to do?—I shall have to occupy the time of the Committee a few minutes in order to answer that question; it is a large question. I might say, generally, that we took over from the Metropolitan Board of Works the main drainage, the fire brigade, parks and open spaces, bridges, floods, street improvements, enforcement of the Building Acts, regulation of theatres, as far as construction is concerned, the artizans' dwellings, clearance of areas, prevention of cattle disease, regulation of offensive businesses, and dairies, and that sort of thing, and loans to local authorities. I think that represents the major part of the work we took over from the Metropolitan Board of Works. Then the Local Government Act, 1888, transferred to the London County Council various powers hitherto exercised by the justices at quarter sessions, such as the licensing of theatres and music halls, the licensing of slaughter-houses, the management and proper provision of pauper lunatic asylums, reformatory and industrial schools, the administration of the Weights and Measures Acts, and county bridges, and since 1888 practically each year has added somewhat, in fact, very greatly to the duties of the council. In 1890 the Housing of the Working Classes Act was passed, which practically made the London County Council the supervisory authority, and vested in them very large additional powers with regard to clearance of small insanitary areas. In the following year, 1891, came the Public Health Act, and the Public Health Act really made the County Council the central health authority for London; under that Act we really have power to supersede all the local authorities in London, in case they are in default. The result of that Act has been that we have established a separate Health Department.

Chairman.

3440. Will you explain what you mean by your "powers of superseding"?—We have power to supersede the local authorities of London (the 39 district boards) in case they are in default in carrying out the provisions of the Health Act. Then, in the year 1893, we undertook the provision of technical education for London, under the Technical Instruction Act of 1889, involving the appointment of a composite body for the purpose of administering technical education, and spending an income of something like 87,000*l.* a year, which is the amount we estimate to spend this year, and in 1894 (last year) we took over from the police the administration and management of the common lodging-houses of London, numbering 670, and accommodating, if my memory serves me, some 28,000 people.

3441. Was it under an Act of Parliament you took it over?—No, we took it over under an order under the Local Government Act, 1888.

3442. Was that a compulsory power under the Local Government Act?—No; the London County Council made an application both to Mr. Matthews, the late Home Secretary, and the present Home Secretary, urging that those duties should be transferred to the London County Council, and under Section 10, I think, of the Local Government Act, 1888, there is power to transfer those duties to the London County Council.

3443. It was optional with the County Council whether they appplied for the transfer or not?—Yes, it was optional; they asked for it. Then I might say, as regards the work, perhaps it is common knowledge that the work of the County Council is enormous. Take the case of the parks and open spaces; we have 14 parks and 64 open spaces, and the maintenance of our open spaces and parks costs something like 100,000*l.* a year. Then, in the fire brigade, we employ 846 officers and servants, and it costs London 143,000*l.* a year. The main drainage means a vast multitude of servants and officers, and costs 220,000*l.* odd a year. Really, I think I am right in saying that the staff and servants employed under the London County Council number little, if anything, less than 6,700, and we pay in salaries and wages no less than some 460,000*l.* a year.

Mr. *Briggs Priestley.*

3444. Was the taking over of the technical education optional?—The Technical Instruction Act of 1889 gave power to the local authorities to expend a rate to the extent of 1*d.* in the pound on technical instruction, and subsequently there was an allocation of the beer and spirit duties to the County Council, and a sum of 170,000*l.* a year was made over to the London County Council, with liberty to spend it on technical education, and hitherto the council have determined to spend, I may say, half that amount, in round figures, on technical education.

Chairman.

3445. But the question of the honourable Member was, I think, whether it was optional on the part of the London County Council?—It was optional.

Lord *Robert Cecil.*

3446. You did mention, I think, the Building Act of last year, which is an important committee?—Yes, that is a very important committee.

3447. That is a committee which occupies a vast amount of time?—It is one of the most important committees of the council, dealing with a lot of detail work. Of course, as you are aware, the council obtained a consolidation of the building laws last Session with certain considerable amendments.

3448. Can you tell me how many committees there are of the London County Council?—Yes, I can. There are 22 standing committees; there

Lord *Robert Cecil*—continued.

are seven special committees, and there are 61 sub-committees; there are just double the number of sub-committees now to what there were in 1890.

3449. Are you a member of a great number of those?—I am a member of five committees.

3450. I forget, for the moment, what the number of the council is. How many members are there?—One hundred and thirty-seven.

3451. And I suppose some of those members are more energetic than others?—Undoubtedly.

3452. And I imagine that on the most energetic the greater part of the work falls?—Unfortunately that is the case. Like Mr. McDougall, who attended last year 453 meetings.

3453. The point of my question, of course, is that the number of people to discharge this vast quantity of work is not very large?—I think not; my own average attendances for six years have been 250, and I have other work to attend to, and find it very difficult.

3454. And that is the case with a great many members of the council, is it not?—By far the larger number.

3455. Of course they are not able to give the whole of their time to the council, to the absolute destruction of their private work?—Scarcely.

3456. I think you did mention the number of people at present employed by the County Council?—Yes, I estimate it at 6,700.

3457. There is a proposal, which has been made more than once, that the council should take over the tramways, is there not?—They have power to do so, and they have already given notice to several of the companies to acquire part of their undertakings.

3458. I suppose, if they did do so, even though they have not power to work them, it must add considerably to their labours?—It must do so enormously, and to the number of people whom they must employ.

3459. The council hold office for three years, do they not?—Yes.

3460. Of course, an old member of the council is naturally more familiar and more able to transact the multifarious business of the council than one who comes in for the first time?—Yes, that follows.

3461. And if there is any considerable change in the *personnel* of the council, of course that impedes the work of the council a great deal?—It makes it more difficult.

3462. Have you considered this water question specially?—I am no expert. I have only treated it as one of the various businesses which we have to consider, and I have given it my best attention as far as I could.

Chairman.

3463. Is Mr. Beachcroft on the Water Committee himself?—No, I am on the Parliamentary Committee. I was not on the Parliamentary Committee last year. I came on the Parliamentary Committee this year, and I am also now on the sub-committee of the Parliamentary Committee, which, practically speaking, has the conduct of these Bills.

Lord *Robert Cecil.*

3464. A very important matter to us outside authorities is, how far this is likely to be a profitable undertaking in the hands of the County Council. Have you made calculations (I see that there are some referred to here) with the view of showing what would be the net profits available for dividends?—I do not know what you are referring to.

3465. I was referring to your article in the "National Review"?—I should like to have it before me.

3466. As I understand, what you put forward there is this, that after making proper provision for the repayment of the capital which will necessarily have to be raised in order to buy the water companies, in all probability there will be a very considerable loss, or very little profit?—Yes, I see; I took the line that the sinking fund would involve an extra expenditure of something like 2¼*d.* in the pound, that the additional supply from a distant source, which is what the council is really committed to, would practically add another fourpenny rate, and that the levelling down of the rates now charged by the eight companies would reduce the revenue by about 250,000*l.*, involving an addition of 1¾*d.* to the rates, and I added, "It is not too gloomy a view to take that the water question alone, if the present policy prevails, may mean a levy on the ratepayer of the day of 8*d.* per pound."

Chairman.

3467. You said that the obtaining water from a distant source of supply is the policy to which the council is already practically committed?—I will explain what I meant by that. On the 5th of last February the water committee of the council brought up a report to the council, and they suggested the following resolutions, which were adopted by the council. The first was, "That the council is of opinion that the scheme for a system of storage reservoirs presented to the Royal Commission on Water Supply by the water companies, coupled with the proposal to abstract large additional quantities of water from the rivers, is not the proper method of meeting the future wants of London; 2. That any further capital expenditure on works in the Thames and Lea Valleys for the supply of London should be regarded as of a temporary character, and should be restricted to such improvements as may be for the time indispensable; 3. That the true solution of the problem is the obtaining of the necessary additional supplies from a purer source, and that accordingly the water committee be instructed to proceed with the preparation of a scheme to be presented for the consideration of the council as soon as possible, with a view to an application to Parliament for necessary powers." I myself moved an amendment to that, which was rejected, and that was adopted by the council.

3468. What was the amendment?—The amendment was: "That in view of the facts disclosed by the report of the water committee, which lead to the conclusion that the acquisition by the council of the water companies' undertakings, together with the promotion of an additional supply, may involve the council in an outlay

Chairman—continued.

outlay of over 50,000,000*l.*, it is essential before the Council is asked to commit itself further, that the financial aspect of the whole question should be considered, and accordingly that it be an instruction to the finance committee to report on the estimated effect of the acquisition of the undertakings of the water companies on the county rate, having regard to the recent report of the chief engineer, and to the terms of the scheme for the creation of new stock approved by the Council on the recommendation of the finance committee in July last." That amendment was lost; 19 voted for it, and 62 against. In substance, Sir John Lubbock repeated a very similar amendment at a later stage on the new Council coming into existence. These resolutions I have read were passed before the new Council came into existence. In effect, the Council have, as I take it, repudiated the conclusions arrived at by the Royal Commission in the Report, and have resolved that a new supply from some other source is absolutely necessary.

Lord *Robert Cecil.*

3469. I do not know that you have any figures, but, of course, that would be an enormously costly business wherever you went?—Enormous.

3470. Do you know at all whether any kind of estimate has been made by the water committee of what kind of cost they would incur in getting a new supply?—There has been a report of a private character by the chief engineer, but I am not at liberty to mention the figure.

Chairman.] Quite so.

Lord *Robert Cecil.*

3471. There has been a report, but you are not at liberty to mention it?—I am not.

3472. I did not know it was private, or I would not have asked the question. There are one or two further questions I should like to ask you. Do you think that a committee of the Council could exercise, with their knowledge and with the incidence of their tenure of their seats in the Council, any effective control over an undertaking such as the undertakings of the water companies?—Of course, it could be done through a large body of officials, but the members of the Council individually, I venture to say, are too fully occupied to undertake that work themselves.

3473. What do you imagine would be the result, and who would in fact exercise any control which was exercised?—I think the officials of the Council must do so.

3474. I think the only other question I have to ask you is a question I put to Sir John Lubbock, and it is this: Has the acquisition of these water companies ever been sanctioned by the Council upon open arbitration terms?—No, quite the reverse. As far as I have understood the policy of the Council, it has been that they will not purchase on what is known as an open arbitration, but will only purchase on terms which will secure that these various points such as future supply, additional 10 per cent., and so forth, are taken into consideration by the arbitrator.

Lord *Robert Cecil*—continued.

3475. Did anything that passed on Tuesday last induce you to suppose that the majority of the Council had altered their opinion upon that?—I do not think that is quite a fair question.

Cross-examined by Mr. *Balfour Browne.*

3476. Then, I understand that you think all the matters that have been referred to ought to be considered on the arbitration?—From the ratepayers' point of view, not from the point of view of justice.

3477. I do not know whether you are here for the ratepayers or justice just now, but we will take it from the ratepayers' point of view, because you are here really as a member of the County Council?—Yes, but I represent the ratepayers too.

3478. Do you think, for instance, that one of the matters which this Committee has thought fair should be considered on the arbitration, namely, the Report of the Royal Commission, ought to be considered either from the ratepayers' point of view or from the point of view of justice?—Under an open arbitration I take it that the arbitrator would take into consideration all the circumstances which tend either to diminution or addition.

3479. That is your idea, that under an open arbitration the arbitrator would take in all those things?—Clearly.

3480. Therefore, I suppose that under what you understand by an open arbitration (we differ to some extent as to what it means) he would be entitled to consider all circumstances affecting the Bill, past, present, and future?—Into his consideration, yes.

3481. That is all I am suggesting to you. Would you like him to consider amongst those past, present, and future things, the possibility of future legislation,—"to consider" I say, laying emphasis on the word as you did?—It would be open to him to do so, of course.

3482. Then I do not think I need dwell longer on that. I think you must have a poor opinion of the London County Council?—No; I think it is the finest body of amateurs I know.

3483. Would you mind telling me what you mean by a professional in municipal government as compared with an amateur. Is there anything in this country except amateur county councillors and municipal authorities, is there anything else?—There are persons who are trained to particular kinds of business.

3484. I did not know that as yet we had a college for training municipal councillors?—Neither did I say there was.

3485. As I understand, looking at and comparing this municipal body with all the municipal bodies in this country, you think it is the finest you know?—Yes; I am quite prepared to say it is.

3486. Under these circumstances I do not suppose you would hesitate to say that if they had a large body of officials managing the water undertaking, that they would be quite capable of controlling those officials?—I think it would be a very dangerous experiment, looking at the enormous size of these undertakings.

Mr. *Balfour Browne*—continued.

3487. You said you thought it would be a dangerous experiment; do you know the personnel of the Boards which manage the water companies?—No; I have nothing whatever to do with the water companies; I am not a shareholder and I am not a director, thank goodness.

3488. Do you really think the directors of the water companies would be able to control their officials, and that the London County Council could not?—The directors of the water companies, so far as I know from reputation, are gentlemen who have some special knowledge with regard to water matters.

3489. Are you quite sure of that; do you know the personnel?—No, I do not.

3490. Then I pass from that. I understand the article my learned friend was referring to, in the "National Review" I think it was, expresses your own individual view, that taking over this matter and bringing a supply of water from Wales, would land the Council in a loss?—That is my personal view.

3491. First of all, in order to arrive at a conclusion as to whether it would be a loss or not, you must have made up your mind upon two matters, I think; first, the price that would have to be paid for the water companies; would you not have to do that?—Yes, no doubt I did; I took it at 33¾ millions. That happened to be the price quoted in a financial paper as the stock market value of the undertakings prior to the issue of the Royal Commission's Report. That was the reason I took that figure.

3492. What we called at an earlier stage of this inquiry, the repute value?—Yes; Mr. Fletcher Moulton used that term.

3493. You must also have made up your mind as to the sinking fund?—Yes, I take it at 60 years, which is in accordance with the Standing Order 173A.

3494. Do I understand, I thought my learned friend referred to a figure of something like 50,000,000*l.*, that that was your idea of what it would cost to bring water from Wales?—No, I took it at from 15,000,000*l.* to 20,000,000*l.*, and I did that because the engineer of the Council, Mr. Binnie, estimated that as the probable capital cost of constructing a satisfactory storage system.

3495. A satisfactory storage system on the lines of the Royal Commission Report?—I cannot say whether it was on the lines of the Royal Commission Report.

3496. These being your individual views, that we ought not to take over the water companies because it would land us into loss, have you ever brought those views before the County Council of London?—Repeatedly.

3497. Did you ever move that these views should be given effect to?—I have repeatedly addressed the Council on the subject.

3498. But you have never made one motion on the subject, have you?—Yes, I have moved that the Bills should not be proceeded with.

3499. Only that the matter should be postponed pending further inquiry, nothing more than that?—I think I have gone further than that, but if you will allow me to look——

Mr. *Balfour Browne*—continued.

3500. I think I followed what you read correctly just now?—On the 3rd July 1894, when the council was asked to approve of the principle of eight Bills, I moved an amendment: "That the method of settling the purchase money should first be considered," and that was defeated.

3501. But that was not against the purchase, was it?—No. I am not in the least bit against the water companies being expropriated.

3502. You are not against it?—Certainly not.

3503. You are in favour of the expropriation of the water companies?—I think water is not the proper subject of free trade, and I think that is the unanimous opinion of the Council.

3504. I think you will be entirely with me when I suggest that you are also in favour of them being expropriated on what is fair and reasonable terms, will you not?—Certainly.

3505. There is one matter you have raised as to the time which the County Council has to devote to this matter. I see you are very familiar with the government of London. Have you looked into the government of any of the large provincial towns?—No: I have had quite enough to do with regard to London.

3506. Therefore your praise of the London County Council as the finest body of amateurs was given in entire ignorance of other councils?—Perhaps it may have been a hasty expression.

3507. Are there not very large communities in this country, like Glasgow, Manchester, and Liverpool, which perform all the functions that the London County Council does for London, and a great many more besides?—Representing about a sixth of the population, yes.

3508. I daresay, but that I daresay could be got over by a system of committees?—Yes, but it is the very magnitude of London which constitutes the difficulty.

3509. Do you know that other municipalities have charge of their streets, have charge of their police, have charge of their gas, have charge of their water, have charge of their markets, and that some of them are even working their tramways, like Glasgow and Plymouth; are you aware of that?—Yes; but as far as my memory serves me, I do not think there is any other authority except the London County Council, which has the power of reviewing the action of the local sanitary authorities within its area.

3510. These municipalities have no duty to overlook the work of the smaller sanitary authorities, but they have to discharge them all, are you aware of that?—I do not think you will find it is so in Manchester.

3511. In what respect do you say Manchester is not in that category?—There are subsidiary bodies.

3512. What; vestries?—I do not say vestries, but there are subsidiary bodies.

3513. You give us news; would you mind telling us what subsidiary body there is existing under the Corporation of Manchester?—The tramway companies. I am not aware that Manchester manages its own tramways.

Mr. *Balfour Browne*—continued.

3514. I did not say Manchester, but I gave you the two illustrations in Glasgow and Plymouth that are both managing and working their tramways. Manchester has not yet taken the working of the tramways into its hands. Are you aware that Leeds is seeking to do so this year?—I have already said I know very little about other authorities; my knowledge is confined to London.

3515. With regard to this matter of time (you have not, you say, inquired into those other places), have you yourself been instrumental in adding to the duties of the county council of London; were you not one to advocate that the Public Health Act, 1891, should be imposed on the council?—Certainly.

3516. You were?—Yes.

3517. Has this question as to whether the county council has time to do this ever been raised and seriously discussed in the council itself?—I have it in my recollection that when the question of technical instruction came before the London County Council, as it did in the year 1893, that Mr. Sidney Webb, who was then the chairman, and is now the chairman of the Technical Instruction Board, brought up a report to the council which contained this paragraph: "After careful consideration we are of opinion that the council should appoint a Composite Committee and delegate its powers. We are led to this conclusion" (said Mr. Webb) "not only by the importance of securing the co-operation of the other educational agencies and of acting in close concert with them, but also by the difficulty of adding to the already overcrowded agenda paper of the council."

3518. Is that the only time that the matter has been discussed at all?—I give you one illustration.

3519. I want to bring it from illustration to this actual case. If your view is right that the London County Council have not the time to devote to the management of the water companies, do you not think that is a material matter for the council themselves to consider?—No doubt.

3520. Did you ever put that before them; from beginning to end of this inquiry have you ever raised the question whether they had time?—The members of the party to which I belong, known as the Moderate Party, have repeatedly urged that on the council; I can say no more than that.

3521. They have repeatedly in argument; but have they ever had a division about it in the council?—No, I cannot call to memory any case where there has been a motion.

3522. Is it not a curious thing that if you are overburdened with work, by the way I see you have time to write articles in the "National Review"?—On Sundays.

3523. I do not approve of that; but is it not an odd thing if that is the view of a large number of people that nobody should have raised this in their petition within London, and that it has to be left to our friends in Middlesex and Hertfordshire to raise it?—I am not here in the interests of Middlesex or Hertfordshire.

Mr. *Balfour Browne*—continued.

3524. You are here under a Speaker's order got by them?—That is not my affair.

3525. Is it not odd if the people of London are convinced that their representatives of London cannot do the work that they should not have raised it?

Mr. *Pope*.] How could they?

Mr. *Balfour Browne*.

3526. Several have petitioned against the Bill. (To the *Witness*.) Do you follow my question?—I only consider myself as representing the ratepayers of London on the county council, and I say from my knowledge that I think the council is overburdened with work.

3527. And I think you have made it perfectly clear that the views you have expressed here, in answer to my learned friend, are your own individual views. You cannot speak for the London County Council?—Certainly not.

3528. In order to press the matter one step further, will you tell me why the acquisition of the water companies would impose, in your view, any further work on the London County Council; what do you think the work they would hae to do would be?—I assume that each of the water companies have at least one meeting a fortnight, and probably one or two sub-committee meetings.

3529. And do you think there would have to be eight meetings a fortnight of the county council?—No, I have not said that.

3530. Have you inquired how many times, for instance, the Water Committee of a place like Birmingham meets?—No, I have not.

3531. Are you aware that, until the recent Bill, they used to meet once a month and managed all their business, but that they have recently met once a fortnight?—Of course, Birmingham represents about an eighth in size of London.

3532. I suppose the representation of London is proportionately great, is it not?—Experience teaches that if you add to the number of representatives on a public body, you do not get that amount of work which you ought to get.

3533. Admitted, then, that there would be a meeting of the Water Committee once a fortnight, is that all; is there anything else they would have to do?—I take it there would be sub-committee work.

3534. Do you think that would be serious?—I should think it would.

3535. Do you know that there has been a Water Committee in London for the last three years?—Of the London County Council?

3536. Yes?—Yes.

3537. In fact, I believe it has been in existence ever since the council came into working operation. Do you know how many members are on that committee?—Speaking from recollection I should say 15.

3538. I think you are quite right. Do you know how often that has met?—I am sorry to say I am not on the committee, and I could not tell you how often.

3539. Do you know it meets every week?—Yes, I should think, very probably.

3540. Do you think that committee of 15

Mr. *Balfour Browne*—continued.

members, relieved of the duties of trying to get these companies expropriated, which you say is a right principle, could not do the whole work of the management of the companies by meeting once a week?—If you ask me for my personal opinion I should say it was quite impossible.

3541. Is there any other duty which you think would bear heavily on the London County Council in connection with the expropriation?—I think the mere administration of a large staff of workpeople in the case of a body like the London County Council would be a very serious addition to their labours.

3542. When you speak of a large body of officials, do you mean collectors of rates?—I mean workpeople.

3543. Workpeople doing what?—Turncocks, and the various persons employed by the water companies. I do not know how many there may be, but it must be a very large number.

3544. I will pass from that, because I think I have given you an opportunity of explaining your view. If there is to be expropriation of the water companies, and that you say you are entirely in favour of, because you say water should not be a matter of commercial sale and barter, what is to happen; what do you suggest yourself?—Personally I am in favour, and always have been, of something in the nature of a water trust.

3545. That is your idea; that the London County Council should not do it. Should the London County Council be represented on the trust?—Certainly.

3546. Who else?—The other bodies within the water area.

3547. Surrey is one of them, I suppose?—Certainly.

3548. Do you know that Surrey does not want a trust, but wants to have the control of its own water supply?—No doubt, and that is exactly what creates a difficulty.

3549. Do you know that Kent is within the district?—Yes.

3550. Have you heard that Kent does not want a trust, but wants to have the control of its own supply?—Certainly, and that creates a difficulty again.

3551. But you do not want to create difficulties, you want to get over them. If you expropriate the water companies, what is to be done?—I have always held, if the London County Council would face the position of things and make up their mind that they are not to be the sole authority, there would be no difficulty in obtaining some arrangement by way of trust representation of the whole of the water area.

Re-examined by Lord *Robert Cecil.*

3552. My learned friend has asked you about the feelings of outside authorities with respect to the water trust; so far as you know them, is it safe to say that they would infinitely prefer a water trust to being controlled by the London County Council?—I should think so.

Mr. *Balfour Browne.*] I have not proposed to control you.

Lord *Robert Cecil.*

3553. I am entitled to ask the question. (To the *Witness.*) In reference to the purchase of the water companies, I understood you (I do not know whether it is clearly before the Committee) to suggest that one of the reasons you thought it very unadvisable the London County Council should acquire the companies was the enormous number of employés that would come into the service of the council?—That is so.

3554. And that you do regard as being very undesirable?——

Mr. *Balfour Browne.*] I have not asked one question about that.

Lord *Robert Cecil.*] I am in the hands of the Committee.

Chairman.] I think we understand the view of Mr. Beachcroft.

Witness.] Certainly, it must be so. I object, as an individual, to the London County Council being so large a wage payer.

Lord *Robert Cecil.*

3555. I thought it was quite clear, but I was not quite sure from the way my learned friend cross-examined, that it was clear. (To the *Witness.*) As to this question of overwork you are not alone in your opinion, are you, that the county council would be very much overworked if they took over the water companies?—No, I think it is the opinion of a great many.

3556. And that that would be a great evil is an opinion shared even by so great an authority as Lord Rosebery, is it not?—Certainly.

Mr. *Balfour Browne.*] Did I ask anything about that; I did not ask a word about anybody else's opinion; I asked this gentleman's own opinion.

Lord *Robert Cecil.*] But I am entitled to put this.

Mr. *Balfour Browne.*] There is one rule in evidence; that is, if you want to get Lord Rosebery's view you must call him; you cannot have it second hand.

Witness.] I think Sir John Lubbock mentioned it yesterday.

Mr. *Balfour Browne.*] Then he should not have done it more than Mr. Beachcroft.

Lord *Robert Cecil.*

3557. (To the *Witness.*) I do not know that I need ask you very much more, but I have one or two questions: if the water companies go for a new supply, of course they would have to pay the money; and if the London County Council go for it the ratepayers will have to pay?—That is so, or if the water companies have to improve their storage accommodation, of course they will have to pay for it.

3558. I was going to ask you something about expropriation, but my learned friend has made it quite clear; is there one great distinction, at any rate within your knowledge, between directors and the county council as a governing body, namely, that the directors are a permanent body and the county council are not?—And I might add one more: the directors do receive fees

Lord *Robert Cecil*—continued.

fees and the London County Council does not, and I believe the time is shortly coming when it will be very difficult to get gentlemen to give their whole time gratuitously.

3559. The tax is already felt very severely?—Yes, very severely indeed.

Mr. *Pope.*] I am instructed by the water companies to call the attention of the Committee, now that the facts are before the Committee, to the position in which they are placed as opponents, and to ask the Committee, if they can, to assist them in regard to the matter. It will be in your recollection, Sir, that when the Committee announced the conclusion at which, at all events, it had arrived for the time being, with regard to the striking out of the provision of Clause 6, my learned friend was asked to consider the position and to inform the Committee what the effect of that would be upon the minds of the promoters as to their proceeding with the Bill at all, and my learned friend, Mr. Balfour Browne, very fairly, and, as I thought, with great propriety, stated to the Committee that the Council would meet on the following Tuesday (it was on the Thursday, I think, the conversation took place), and suggested that the day following that meeting would be a proper day to have heard the determination of the Council with regard to that decision. The Committee however, desirous, if I may say so, as the water companies are of not even appearing to attempt to consume time uselessly, fixed Tuesday to proceed with the enquiry, and we went on on the Tuesday, the same day that the County Council were to meet. Now, what is the position which the action of the County Council on Tuesday has placed the opponents in? I will not, at the moment, read the Report of the Parliamentary Committee which was the basis of the discussion, because I do not want to occupy more time than is needed. It is open to a good deal of criticism, but time enough to make that criticism hereafter if it should be necessary. But the result was that the Parliamentary Committee recommended to the Council that they should be authorised to prepare "an alternative clause" I think is the phrase. This was the recommendation of the Parliamentary Committee: "That we be authorised to draft an alternative clause in substantial agreement with Clause 6, but following so far as may be possible consistently therewith the indications of the Chairman of the House of Commons' Committee." Not a recommendation you will observe to carry out the recommendations of the Committee, but to prepare an alternative clause so far as possible consistent with the indications which you gave of the minds of the Committee. That was not the position in which the matter was left, because obviously the Council saw that that carried the thing a little far, and they therefore agreed ultimately to the resolution, "That the Parliamentary Committee be authorised to draft an alternative clause in substantial agreement with," not the decision of the Committee, but "in substantial agreement with Clause 6," and that has to be communicated to the Council and adopted by them on Tuesday next before it can be binding even upon those who represent the Council here.

Mr. *Balfour Browne.*] That is not so; that has never been adopted by the Council.

Mr. *Pope.*] I beg pardon.

Mr. *Balfour Browne.*] I assure you it has not.

Mr. *Pope.*] I will read what it is. I understood Mr. Beachcroft had proved it, and I waited until Mr. Beachcroft gave his evidence that there might not be any of these unseemly disputes as to what took place at the Council. I find that the resolution is this: "The omission of all the words in the recommendation after the word clause." I beg pardon, you are quite right; I used some words which were in addition. Therefore it stands now "that it be authorised to draft an alternative clause," which alternative clause is to be submitted to the Council on Tuesday before it could even be with authority brought up by my learned friend. That is the position of matters. You will remember, Sir, that I, very early in this discussion, pointed out, and I do not think I have intervened unnecessarily very often, but when I did intervene it was to point out to the Committee that the phraseology of the clause in the preamble which we, representing the water companies, will have to discuss, makes the conditions adopted a primary matter of preamble, because the phraseology of the preamble, according to my recollection, proceeds, that it is expedient, not in general terms or anything of the kind, to transfer the water company, but that it is expedient "that provisions such as are in this Act contained should be made for the transfer of the water companies." As I pointed out to the Committee the phraseology of the preamble makes the clauses part of the preamble, because instead of asking you to enact in general terms that it is expedient that the water companies should be transferred to a public authority or anything of the kind, the preamble proceeds: "Whereas it is expedient that provisions such as are in this Act contained should be made for the transfer of the undertakings of the companies." Therefore, of course, when we are objecting to preamble, of necessity we are objecting to the provisions contained in the subsequent part of the Bill, of which, of course, Clause 6 is one. Now, sir, you, of course, told us in the last observations which you made upon this matter, that all we must assume that the Committee had done was to strike out certain words of the Bill, to wit, the special instructions which were contained in Clause 6, leaving us to discuss as a substantive matter, if we thought right, the remaining words of Clause 6 before those which had been struck out. That was the position we were in. Of course, that is an intelligible position. We might go on to discuss Clause 6 in that view, to discuss the Bill as it is before you with the words you have struck out struck out of it, but, *cui bono*? That is not the Bill the promoters are going to put before you, and before I know, as representing a water company, what I can say, or what I can prove, against the preamble of this Bill, I must know what the provisions will be which the promoters will put before you as sufficient to carry out their purpose. I may be wasting your time by beating the air with regard to Clause 6 in its present condition, for after Tuesday I may have to repeat the process again in discussing the alternative clause

which the Parliamentary Committee of the Council are authorised to draw up, and which has to receive the sanction of the Council before it can be even binding upon them; so that in truth we are going to do our work twice over.

Chairman.] No; perhaps I might shorten the matter. I think I grasp now what the object of this interpolation is. As I understand the matter, it is this: that the County Council have decided to go on with the case after the decision we gave, at all events for the present. The decision we gave amounted to this, that we went with your contention so far upon the case of the promoters of the Bill that we decided we would not have the latter part of Clause 6, but we also said, or we rather intimated, that our opinion up to that time was in favour of adopting the earlier part of Clause 6, subject to any alterations which might be made in the phraseology of it, that it would be convenient, we suggested to discuss any such alterations upon Clause 6 when we came to it. I do not understand that any alteration has yet been proposed in the phraseology of what we intimated would remain of Clause 6.

Mr. *Pope.*] I think so, Sir.

Chairman.] Pardon me, it stands there for the present, at all events, not only in the Bill, but in the intention of the Committee, and on that basis, as I understand, the London County Council are content to go on with their Bill. I do not see that you will be prejudiced in any way from bringing up any arguments you please on Clause 6 when we come to it if the preamble should be declared proved. Of course, I presume if we should declare the preamble not proved, there is an end of it, and you would profess yourself satisfied.

Mr. *Pope.*] Of course, whatever the provision might be.

Chairman.] Then we also said, when you had finished your case, we would consider whether it would be more convenient to adopt some course equivalent to postponing the preamble, or coming to a decision on the question of whether the preamble was to be declared proved or not at that time. I cannot see that you are under any disadvantage by the action which the County Council are now taking.

Mr. *Pope.*] I will tell you, Sir, what the disadvantage we feel is. If the resolution of the Council had been to proceed with the Bill upon the basis of the first part of Clause 6, we should have remained exactly where we were when you made your suggestion, but the County Council have come to a different conclusion. They do not propose to go on with the Bill as regards Clause 6 as it stands. They propose to prepare and submit, under the express sanction of the Council, an alternative clause to Clause 6. Now, then, what I say is this: why am I, on behalf of the companies, to be driven to discuss a clause which the Council, the promoters, repudiate, because they say "We will produce an alternative." I want to know what that alternative is to be before I am asked to oppose the preamble which will embody that alternative.

Chairman.] I may be wrong, but it appears to me that it is rather a verbal distinction or ambiguity. What I suppose is meant by an alternative clause is some variation of the form of what remains is the minds of the Committee, if I may use that expression of Clause 6. I do not understand that there is to be any attempt to restore into the clause that part which the Committee has declared it will not have.

Mr. *Pope.*] Certainly, we are apprehensive that that is so, because, if you will remember, after the discussion before the Council, and in the recommendation which you will remember was brought up, the Parliamentary Committee did not accept that view; they say we will "propose an alternative clause, which, so far as possible——"

Chairman.] But that was struck out, I understand?

Mr. *Balfour Browne.*] Yes, Sir, that was not accepted by the Council.

Mr. *Pope.*] I know it was not accepted by the Council, but that throws some light upon what the nature of the clause is which is likely to be suggested. What I say is we ought to be in possession of the minds of the promoters before we are asked to discuss the Preamble of the Bill, just exactly as it would be a matter of considerable observation if an amendment in the Preamble of the Bill were introduced during the progress of the inquiry without allowing us an opportunity of knowing what that amendment would be. It may be that they will bring up a clause which will be acceptable to the Committee. It may be that they will not. But we are opposing not the Committee; we are opposing the views of the promoters. What are their views? Their views are not the acceptance of Clause 6 simpliciter, though I should have to say a word about that if they were. Their views are to put before this Committee something additional, some alternative to Clause 6 which may carry out their views, and they will suggest, the views of the Committee. But I am entitled to know all that before I am asked to argue, unless I argue the thing twice over, namely when I do not know it, and when I do know it. But, Sir, I do not like to argue about a thing which I do not know. I might in argument effectually dispose of Clause 6 as it stands, but that would not satisfy the promoters, they would bring up an alternative clause. I might dispose of Clause 6, but then I may meet with their alternative clause which will be, if carried at all, just as much part of the Preamble as Clause 6 ever was, because the Preamble embodies those conditions as part of it. All I ask is, that I may be informed what it is that I have got to meet. If the Committee were to tell me, "We will not assent to any alteration by the promoters of Clause 6," then that would be an intelligible thing, although probably that would be rather a strong decision to come to, but when we know that they intend to bring up an alternative, surely I am entitled to know what that alternative is before I am bound to answer it.

Chairman.] The way it strikes me at the present time (of course, we will hear what Mr. Balfour Browne has to say), is that there would have been a great deal to be said for your contention if we had reason to believe that by the words "alternative clause" it was intended to convey

convey that the County Council were going to put forward as their view the clause substantially as it was before we gave our decision. But I understand that the proposal pointing in that direction was dropped out of the resolution submitted to the County Council, and so far as we have any knowledge of what is taking place in the discussions of the County Council, it would appear that that indication has disappeared, and therefore, as far as I can gather, and from what I have heard, the intention of the County Council is, to carry out as effectually as they can the decision which was arrived at by this Committee.

Mr. *Pope.*] No, quite the contrary, sir. I gather from the proceedings it is exactly the contrary, and what their intention is, is to take your decision and see whether they can construct an alternative clause, which shall carry out the purposes and objects of Clause 6, notwithstanding your decision. That is the real meaning of it.

Chairman.] It depends upon what you mean by Clause 6.

Mr. *Pope.*] As it originally stood in the Bill.

Mr. *Balfour Browne.*] I must deny that emphatically.

Mr. *Littler.*] If it is not too much trouble for the Committee to read the whole discussion, I am sure they will see that what my learned friend Mr. Pope says is really so.

Chairman.] I think it will be more convenient if we hear from Mr. Balfour Browne what he is authorised to say.

Mr. *Littler.*] Before you do that, I should like to say a word. You have before you a print, I believe, of what took place at the London County Council on the 18th instant.

Chairman.] No, we have not.

Mr. *Littler.*] For the proper understanding of this, it is necessary to look at one or two things in it. First of all, will you kindly look at what the proposal of the Committee was at the bottom of page 10.

Chairman.] The Committee know nothing of this except what was said about it by the last witness.

Mr. *Littler.*] Quite so, and I thought it was desirable before you heard Mr. Balfour Browne, you should know a little more of it. I think, sir, if you would read the third paragraph from the bottom you will see: "It will be necessary for us, in the event of the Preamble passing, to be prepared with some suggestion in the form of a clause or clauses to be substituted for Clause 6 of the Lambeth Bill."

Chairman.] Whose words are these?

Mr. *Littler.*] These are the words of the Parliamentary Committee of the County Council: "But we are not prepared to commit the Council to any such clause without further instructions." I venture to say you will find that is the keynote of the whole thing, that they are going to leave this over till Tuesday, and if they do not like the clause, they will withdraw the Bill, after we have had all the trouble and expense of coming here day by day, and arguing the thing on imperfect information: "Doubting how far our authority justifies us in so doing. We have therefore determined to report the position for the information of the Council, with a view to its giving us such further instructions in the matter as it may think fit. We therefore report for the information of the Council the extracts from the proceedings in Parliament as above quoted, and we recommend:—That we be authorised to draft an alternative clause in substantial agreement with Clause 6, but following so far as may be possible consistently therewith the indications of the Chairman of the House of Commons Committee." That is the recommendation. Then on that there is a good deal of discussion; and then I will go on to the bottom of page 12, which is the next keynote of the position, where an honourable Member of this House and a member of the Parliamentary Committee of the County Council, says: "As a member of the Parliamentary Committee, I wish also to associate myself with my friends, Sir John Lubbock and Mr. Alderman Beachcroft, and to say that I accept absolutely no responsibility for asking the Council to authorise us to do that which I believe to be as physically impossible as it is to blend fire and water. I believe that it is impossible 'to draft a clause in substantial agreement with Clause 6 on the part of the Council, but following so far as may be possible consistently therewith the indications of the Chairman of the House of Commons Committee.' In so far as it follows the indications of the Chairman of the House of Commons Committee, I understand it would be departing from Clause 6." Then he says he desires to dissociate himself. Then I pass on to one or two other matters which it is important the Committee should see. On page 14 a noble Lord, who is a Member of the other House, says this: "We were told upon the highest authority, an authority which I have no reason to doubt, that if the particular sub-section to Clause 6 were not embodied in the Bill, London would pay a fool's price for its water, and with that before me as a new member of the Council, I could not see that it would be our duty, as representing the ratepayers of London, to agree to any clause which, in the opinion of experts well qualified to judge, would have the effect of making London pay a fool's price for its water. I understand that it has been the policy of this Council to insert conditions, calling upon the arbitrator"—not empowering—"to take certain matters into his consideration, and it was with that view that I expressed my hope that the Parliamentary Committee of this Council would not do anything which was inconsistent with the spirit of Clause 6." I do not think I need read the rest, but I must ask you to look at what the honourable Member for Shoreditch said on page 13: "I feel very much inclined to say, as so many members of the Parliamentary Committee feel that this clause is an absolutely impossible thing, that it would be better to refer this matter back again to the Parliamentary Committee, and I propose accordingly." Then I do not need to trouble you any more until the top of page 16. But I should tell you that the Vice-Chairman proposed to strike out everything after the word "Clause," and if you look back again at the recommendation I read

to you, that that is taking out everything but the words, "That we be authorised to draft an alternative clause," leaving it entirely at large. The other words, "in substantial agreement," and so on, were to be struck out. That was the motion of the Vice-Chairman. The Vice-Chairman, on page 15 says: The Council "prefer that these matters should be left to the arbitrator rather than to the Parliamentary Committee"; and on page 16 comes Dr. White, who seconded the motion, and who explained more fully why he seconded it. He says: "The thing of great importance, after all, is that this clause, when drafted, should not be acted upon until it has been submitted for the approval of the Council as a body. That seems to me to be the crux of the whole question which we need discuss now. This Bill was approved by the Council, with Clause 6, containing certain definite instructions to the arbitrator contained in it. Clause 6 is now to be deleted, and an alternative clause to be submitted. That is to say, a vital point of the Bill is to be seriously altered. (The *Vice-Chairman*: No, no.) [Dr. *White.*] The Vice-Chairman says 'No, no.' That is a question, at any rate, on which the Council should be entitled to judge for itself. We are not, I think, especially having regard to the difference of opinion which appears to exist amongst the Members of the Parliamentary Committee, we are not, I think, justified in permitting them to draft and act upon clause without coming to us again. It will be in the recollection of the Council that Sir John Lubbock, when this Bill was brought forward for approval, moved an amendment to the effect that we should first be supplied with figures which would justify us in approving of the Bill. The gentlemen on the other side, if I may say so, defeated that amendment by arguments that we were perfectly safe in going forward with the Bill because of its containing instructions to the arbitrator imposing upon him"—not enabling him—"the consideration of conditions and circumstances which he was bound absolutely to take into account. It is our duty, I submit, sir, to see that this new clause, when drafted, does have the same effect in the circumstances, as our old Clause 6; and I would ask, therefore, while seconding this amendment—I would suggest to the Vice-Chairman—I do not know whether he would be prepared to adopt the words to add to the amendment, 'and to submit to the Council for their approval,' so as to make it certainly clear that this clause will not be acted upon without coming before the Council." Then Lieut-Colonel Ford says: "The two things are not possible," and Mr. Westacott says, at the middle of page 18: "This is a very vital matter, the more so as the parts of the clause struck out are those parts which put conditions on the arbitrator, and particularly that part that prevents the payment of the dividends, and the payment of 10 per cent. on a compulsory sale; all that is struck out. It is the more essentially important that this Council should have submitted to it the clause to be drafted by the Parliamentary Committee before it is presented to the Committee of the House of Commons." Then Sir John Lubbock speaks; and then we come to page 22, at the bottom of which you will find what Mr. Beachcroft says, who I understand has been before you this morning.

Chairman.] We have had his views here as a witness.

Mr. *Littler.*] Yes; he says, "I believe it means a matter of between 15,000,000*l.* and 20,000,000*l.*," that you have been told by him. Now what happens at the end is that the amendment is carried, and there is an addition to it that the question must come up and be submitted to the Council for approval. Now I say it is perfectly plain, first of all, that there is a very great desire so to construct a clause, as, if possible to carry out the same effect in other words as Clause 6; and if that is so, it is a matter of the gravest possible importance to us that we should see what it is; and next, that any clause which is to be proposed is not to be acted upon until the Council meets next Tuesday. The noble Lord spoke about a fool's price, but it seems to me that I am more or less on a fool's errand in addressing you, because, although this has been said to be a question of clause, it is so essential to my argument for the Kent Company on the Preamble, that I shall have to say a great deal about the possible form of this clause, and I certainly do feel, though I do not see any objection to going on with the Middlesex case, or any other case, it would be imposing on me a greater hardship than I have ever had in my professional career, if I am to speak on the question of Preamble, until I know precisely what is the real intention of the promoters on that clause. It is of the essence of the Preamble; it is not a matter of clause to be disposed of like 50*l.* or 100*l.*, or even 5,000*l.* or 10,000*l.*; but it is a question of essence, and that being so, I respectfully urge, although there is not the slightest objection to going on with any other opposition, as long as that may last, that I should not be asked to go on with my case. All I want to add is this. You see what was done has put us all with respect to the Committee in a false position. My learned friend, Mr. Balfour Browne, took an adjournment; he said, in substance, that he accepted the suggestion of the Committee as to what was merely the outside of what they were disposed to give even on his own showing, and which might be minimised when they heard us. He took an adjournment, he comes back, and he says, "I am prepared to accept it on the part of the County Council," but when the report of his Committee goes up for the purpose of framing a clause, not only do the Committee say, "No, we will only frame a clause so far as may be in accordance with the decision of this Committee," and the Council say, "No, we will not allow you to do that, you must prepare a clause and let us know what it is, and when it comes up we may say we will not accept it, and we will not go on with the Bills," and they probably will say so, unless their Committee invent a clause which will really restore Clause 6, and get round this Committee's suggestion. But what happens in the meantime? That I, for my company, am obliged to go on with one hand tied behind my back in the most important struggle there has ever been between a commercial

mercial undertaking and a powerful public body. I cannot deal with the matter as I ought to deal with it unless I know exactly what is going to happen to one of the most vital things. If it had not been for this I could have assumed that the worst that was going to happen to me was your suggestion, but I cannot do so now, and we may be all going on in the dark. I said any other opposition might be taken. My learned friend, Lord Robert Cecil, says he has brought up his witnesses from Hertfordshire. I want to know what the County Council mean to do, and whether they mean to accept the statement of their own counsel here. I venture to think the Committee ought to have taken the instruction of the County Council last Tuesday. Time is going on, and we shall have to spend more money; but what is of the gravest importance to me is that I cannot present my case as I feel, as an advocate, I ought to present it, and I therefore urge you, having gone as far as you can in this case, to hear what the County Council will do. I must say, if they are going to pursue this course, they ought to have had a special meeting of the Council and discussed it at the special meeting, so as to have saved your time at this period of the Session, and saved their own in going on with the Bill. If the Bill is delayed it is not our fault; we have not delayed it at all; on the contrary, we have facilitated its going forward, and assented to this course, although we might have said piece-meal taking is always injurious to an opponent. But we have done nothing of the kind. We have done everything to facilitate progress. Then they come here, they close their case, saying they accept that suggestion of the Committee; then we are suddenly told in this long debate what we are. I do appeal to you, sir, as strongly as I can, that it would be a gross injustice (using the word with the greatest respect) to my company to be compelled to go on now.

Chairman.] Of course, the room will be cleared presently to take the formal opinion of the Committee upon the matter which has been submitted to us now; but, so far as I can gather, the view of the Committee is this: What we feel is this: On the last occasion when this matter came up, you said, Mr. Balfour Browne, "I think, sir, with the assistance you have given us now we shall be able to bring up a clause," that is to say, our decision was explained to you in a way which left no doubt, I think, that the clause as we would be prepared to entertain it would be quite a different clause to what was originally in the Bill, and of course at any time you must count upon the Committee standing to the decision at which they then formally and deliberately arrived. But if you can say something that will assure us that you are going on with this case, not with the intention of upsetting, but as far as possible carrying out the decision arrived at, I should be very unwilling to lose even a day at this advanced period of the Session in taking evidence upon whatever points we can. So that you know now what the view of the Committee, so far as I can gather it, informally is, and after you have addressed us we will clear the room and consider the question.

Mr. *Balfour Browne.*] May it please you, sir, the attempt that is being made to get behind a decision of the Committee is not upon my part, but on the part of the water companies. The decision of the Committee was this——

Chairman.] I did not imply that you were making any attempt.

Mr. *Balfour Browne.*] No, not you, sir, but my learned friends do. They say distinctly that the resolution of the Parliamentary Committee of the Council and the resolution of the Council is an attempt to get behind your decision. I absolutely deny that. The words I used which you accepted were that I was to bring up a clause in lieu of Clause 6. These are the words; upon page 408 of the proceedings, I said: "I will bring up a clause in lieu of Clause 6 to carry out the decision of the Committee."

Mr. *Littler.*] May I interpose, in order that my learned friend, Mr. Balfour Browne, may not say he is taken by surprise. I did omit to read one passage on page 5 of the Parliamentary Committee's Report which has a direct bearing upon this. I had marked it to read to you, and in my desire to save time I am afraid I wasted it. On page 5 of the Report on the Lambeth Water Bill you will find in the third paragraph this: "The decision of the Committee of the 12th of June seemed to imply that they were satisfied on one of the main points of contention, namely, that an open arbitration under the Lands Clauses Acts could not do justice in the present case; and that some special form of arbitration clause would be necessary, in order to secure that various matters should be considered which we were advised to be relevant to the question of fair and reasonable value, but which could not have been entertained by an arbitrator under the Lands Clauses Acts. Mr. Cripps reported to us his opinion that the strength of our case must be materially lessened by reason of time not permitting of our laying before the Committee the large mass of evidence which has been prepared, but that it was better to run the risk involved in abandoning the evidence than to incur the almost certain loss of our Bills for want of time." Now this is the most important: "The decision of the Committee on the 12th of June involves a complete change in the form of the arbitration clause, but we found more difficulty in arriving at a decision of the question as to how far it involves a material alteration in the principle of the clause, although counsel representing us seemed to be of opinion that a clause might be framed on the lines of the announcement of the Committee which would ultimately bring about the ascertainment of 'fair and reasonable value' in accordance with the general policy indicated in the Reports and Recommendations of the Water and Parliamentary Committees as adopted by the Council. We accordingly authorised Mr. Cripps (if it should become necessary) to inform the Committee of the House of Commons that, having regard to the decision of the Council in approving the present Bill, we were not prepared to agree to any substantial alteration in Clause 6 of the Lambeth Bill without special authority from the Council. At the same time we thought it desirable, if possible, to obtain some further explanation from the Committee

mittee as to the scope and effect of their decision, and gave instructions that the agent should direct counsel to take steps to this effect."

Mr. *Balfour Browne.*] My learned friends are never tired of reading speeches from these proceedings. These, of course, are not the views of the County Council, but the views of individual members.

Mr. *Littler.*] It is a report.

Mr. *Balfour Browne.*] I will go back, sir, to where I started. I refer, first, to page 403 of the proceedings. You say "this is the decision the Committee have agreed to." My learned friends are in the habit of calling it a suggestion, but you will remember that this is a decision come to by the Committee after clearing the room and considering the matter. "The Committee are of opinion that if this Bill should become law, and if the consideration to be paid by the London County Council for the transfer of the undertaking is to be determined by arbitration, the arbitrators should in determining the fair and reasonable value of the undertaking have regard to all the circumstances of the case as provided in lines 30 and 31, page 7, of Clause 6, and the Committee would be willing, on consideration of the clause, to introduce, if necessary, other general words in order to render it absolutely clear that the arbitrators are not to be precluded by any legal objections from entertaining all the circumstances which they may think it right to take into their consideration, say, for instance, the Report of the Royal Commission, 1893." That I say, in passing, to my mind, meant that we were to be entitled to propose other general words as an addition to the words, in lines 30 and 31, page 7, "it is obvious that such an important document should be open to the consideration of the arbitrators, but the Committee merely refer to this as an illustration of what they mean." Therefore, we were not to be precluded from saying that he was to take into consideration more than the report. You gave that merely as an illustration. "As to the subsequent provi-ions of Clause 6, the Committee are not convinced that they are needed in order to enable the arbitrators to take evidence upon, and have regard to any or all the matters therein referred to if, in their discretion, they should think fit to do so." That, sir, shows that you did not think that these things should not be before the arbitrator, but you thought it was not needed to instruct him. You go on to say, that you will not give a special instruction. "The Committee do not feel justified in endeavouring to influence in any way the impartial exercise of that discretion, and they are unwilling by special reference to particular circumstances to seem to prejudge their consideration, or by implication to exclude or affect the consideration of any others which may be submitted to the arbitrators. The Committee think that it should be in the power of the arbitrators at any stage of their proceedings to obtain the decision of a competent court of law." That refers to a different matter; now the matter rested there until the next occasion when we came before you, and my learned friend raised some points, and I also raised some points. Then on page 408, I said this, after stating what we understood to be your decision, "which, in the opinion of either party, affect the value of the undertaking, as, by way of illustration, the Report by the Royal Commission. I take those words from you, sir," and you said, "yes." Then I said, "Being considered by the arbitrator, and that he will be able to give such weight to these matters as he thinks right; and we see no difficulty, sir, in bringing up a clause in general terms (again using the words of the Committee) in lieu of Clause 6, which will carry out that intention."

Chairman.] Would you mind my interrupting you for a moment, because it is a little important. You said the arbitrators were to give such weight as they thought fit.

Mr. *Balfour Browne.*] Yes, sir.

Chairman.] In the subsequent part, and before you announced your final decision, I used these words: "I think the words amply clear; I go with you as far as to say that we did consider it was right of the arbitrator to listen to what might be put before him as matters which ought or ought not to be gone into, but that the parties on either side, having stated their views, it would be for the arbitrators to say how far, if at all, they would go into evidence; and how far, if at all, they would give weight to the representations made." You will see that is a different thing from saying what weight they will give to the representations made. Then, after I had said that, you say, "I think, sir, with the assistance you have given us now we shall be able to bring up a clause."

Mr. *Balfour Browne.*] Certainly, a clause in lieu of Clause 6, as I said before, a clause, however, as I understand it, carrying out the decision of the committee which I have already read, and the decision of the committee which appears upon page 416, where you, to some extent, amplified the words you had formerly used. On page 416, after again clearing the room, I think you said: "'should be struck out, and it should be left to general expressions to be addressed to the discretion of the arbitrators.' On that I only wish to recall attention to the exact words of the decision at which we have arrived. I will only read the part of it which applies here. It is this, that 'the arbitrators should, in determining the fair and reasonable value of the undertaking, have regard to all the circumstances of the case as provided in lines 30 and 31, page 7, of Clause 6, and the Committee would be willing, on consideration of the clause, to introduce, if necessary, other general words,' and so on." That shows, sir, that even in your second decision you thought some other general words were to be added to those.

Chairman.] If you thought it necessary, and satisfied us.

Mr. *Balfour Browne.*] Quite so, sir. That is a clause in lieu of Clause 6. It is an alternative clause. I cannot see the distinction between the words "in lieu of Clause 6," and "alternative clause." They are to be in general terms: there is to be no specific direction to carry out your decision. I said then, and I say now, I see no difficulty in bringing up a clause to carry out your decision. It will be an alternative clause

clause, but I do not want to go into different views of the members of the county council; it would be invidious and improper for me to do so. My learned friend, you will remember, had made a similar application at that time, and you went on to deal with Mr. Pope's application.

Mr. *Pope.*] An application for what?

Mr. *Balfour Browne.*] An application practically in the same words you have made to-day.

Mr. *Pope.*] I made no application; Mr. Littler intervened before I made my application.

Mr. *Balfour Browne.*] Very likely. You pointed out that the preamble of the Bill contained words which mixed it up with the clauses of the Bill, and the decision of the Committee on that is, "As to the remarks which Mr. Pope made upon that part of the case it stands thus really up to the present: all we have done is that we have, upon the promoters' statement of the case, come to a conclusion, and, with the view of preventing unnecessary waste of time, we have declared that conclusion, that as regards the part of Clause 6, subsequent to the lines I have referred to here, we are not disposed to allow them to remain in the Bill." I concur in that, sir; I think your decision is conclusive upon it. "With that I should say counsel for the petitioners, at all events, can find no fault. I would venture to suggest the most convenient time" (now here is the decision upon my learned friend's then application, and upon his application to-day) "for them to raise any objection they may seem to entertain as to the other parts of our decision will be when we come to Clause 6, for it stands at present that we in general words adopt the lines now standing in the Bill at lines 30 and 31, but we offer to hear suggested amendments." What is that but an alternative?

Mr. *Pope.*] At that time you were in authority.

Mr. *Balfour Browne.*] I am in authority now.

Chairman.] I understand that, Mr. Pope.

Mr. *Balfour Browne.*] "Suggested amendments for a certain purpose; and if I might venture to suggest (though I do not wish in any way to control the discretion of counsel) it seems to us the most convenient time for going further into that question will be when we come to Clause 6." Now, what my learned friends say is that on that decision they thought the worst that could happen to them would be Clause 6 down to those lines, and the additions that you have suggested. Well, that is the worst that can happen to them yet, if you remain in the same mind. On the other hand, there is another thing that may happen, and this is what they raised before you. Suppose you will not accept the clause that we submit, and reject the preamble of the Bill, that is not worse for them, but it is better for them; but, sir, I stick to your decision, and I am prepared to bring up a clause, which, in the opinion of myself and my learned friends (and in the meantime I am acting for the county council), will carry out the decision of the Committee as we have understood it upon those expressions I have just read.

Mr. *Pope.*] I shall only say a very few words in reply to my learned friend. The point of this application and its distinction from the discussion my learned friend has referred to is this: that my friend is not now in a position to say that the clause which he thinks can be drawn as an alternative clause can be authoritatively submitted. The county council have withdrawn his authority to say that. No alternative clause of any kind—no words of general application to carry out the decision of the Committee—can be submitted to you until it has received the sanction of the council itself. That is the position now; it was not the position then; and what I say is this: be it general words, which my learned friend may think can be so put into the clause as practically to embody in the clause itself the whole of the instructions which you have struck out, or whatever the additional words may be, they may or may not receive ultimately your sanction, but my application is, that at all events I shall not be called upon to say what I have to say about the preamble until I know what that alternative clause, which will be part of the preamble, really is. It amounts simply to this: It may be that you may accept my learned friend's alternative clause. I do not know; but, at all events, the clause being by the preamble embodied in the preamble, it is not fair to relegate me to an after discussion upon the clause to say whether that is a condition which is fair or otherwise. That comes on the preamble, and before I can really address myself to the preamble of the Bill I want to know what are the additional words—what is the alternative clause to carry out the decision of the Committee which my learned friend proposes to bring up. That cannot be brought except by the consent of the council itself. In fact, you will remember, sir, that my friend's position—I quite agree if it were an ordinary case I should take his assurance as counsel—is that his authority as counsel to accept the decision of this Committee has been absolutely withdrawn by the county council itself, and therefore it does seem to me that not only we as opponents, but the Committee, are entitled to know what the promoters really mean to bring forward.

Chairman.] But I do not understand that Mr. Balfour Browne's authority to speak for the county council has been withdrawn. He is here, and I am sure he would not be here unless he were authorised to be here by the Parliamentary Agent of the county council; therefore, so long as he addresses us, I must consider, whatever I may see in debates taking place in the county council on interlocutory proceedings, that we have nothing to do with them. We must accept what he says; I mean as coming from the county council. I am entitled to accept what he says as coming from the county council, and he says that the interpretation which he puts upon the resolution arrived at by the county council —— will some one read it for me?

Mr. *Balfour Browne.*] The words are these: 'That we be authorised to draft an alternative clause and submit it to the council for its approval."

Chairman.] Then Mr. Balfour Browne says that he understands those words "alternative clause" in the sense of a clause which would really carry out the decision arrived at by this Committee. I quite

quite agree that if the intention of that alternative clause has the meaning which was expressed in some of the speeches which were read to me, that that would not be carrying out the decision of this Committee. But it would be an entirely different thing. But I understand from Mr. Balfour Browne that he goes on with the case in the meantime, accepting the words "alternative clause" in the sense that it is to be a clause to carry out the decision arrived at by this Committee.

Mr. *Pope.*] I quite accept my learned friend's *bona fides;* he is entitled by his authority as counsel to speak for the council; but by resolution of the council he is expressly excluded from binding them to any clause which he may prepare or which he may accept, and all I ask —you will understand I do not say he is not to go on with his case—is that before I am asked to go on with my case I may be furnished with the alternative clause which he proposes to bring forward.

The Committee-room was cleared.

After a short time counsel and parties were again called in.

Chairman.] The Committee are very reluctant, at this period of the Session, to lose even one day if it can be avoided. It would be hardly worth while to go further, at this sitting, with the evidence; but to-morrow the Committee would like to hear further evidence of the kind we were receiving when this interpolation took place; that is to say, the evidence of the counties outside the London county, and which evidence, we think, can be proceeded with without its being affected by whatever decision may be arrived at with regard to Clause 6. Therefore, we will ask the parties to be ready to go on to-morrow with that part of the case, and, in fact, any part of the case they may choose to present which is not directly affected by the ultimate decision on Clause 6.

The Committee think that it would be more convenient that the opponents of this Bill should, if possible—in fact that they should have before them what is the real mind of the county council as to proceeding with the Bill, having regard to the decision arrived at by the Committee on Clause 6, and, for this purpose, that both this Committee, and the counsel for the opponents of the Bill, should have before them the form in which the county council propose to submit their alterations of Clause 6. The Committee understand that the ordinary meeting of the London County Council will be held on Tuesday next; but we think it is due to this Committee that the county council should, if possible, hold an earlier meeting, so that they may be able to present us with their final decision as to Clause 6, when we assemble on Tuesday. We trust that the county council will meet the view and the convenience of this Committee by doing so; but if they should be unwilling or unable to do so, then we must adjourn the proceedings until Wednesday, or until such further day as may be necessary. The Committee would point out that it is not in the interests of the promoters of the Bill that any time should be lost. It will not be, probably, an easy thing to get through the work of these two Bills during this Session, and every day we lose will be to the disadvantage of the promoters of the Bills. But quite apart from that consideration, the Committee have directed me to say that they think it is due to the Committee, under all the circumstances of the case, that the county council should, if possible, be in a position to announce their decision on Tuesday morning when we meet.

[Adjourned till to-morrow at Twelve o'clock.

Friday, 21*st June* 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET IN THE CHAIR.

Mr. JAMES BIGWOOD, M.P., sworn; and Examined.

Lord *Robert Cecil.*

3560. YOU are a Member of the House of Commons, and you represent one of the divisions of Middlesex, do you not?—I do.

3561. Which division is that?—The Brentford Division of Middlesex.

3562. Are you an alderman of the County Council of Middlesex?—I am.

3563. And chairman of the Parliamentry Committee?—Yes.

3564. Is the Middlesex County Council a strong body?—Very strong.

3565. I think it includes six Members of Parliament and four Members of the other House?—Yes.

3566. And is thoroughly representative of the interests of Middlesex?—Thoroughly.

3567. How many urban and rural sanitary authorities are there in the county?—There are 33 urban and rural sanitary authorities.

3568. Are the relations between the Middlesex County Council and the local authorities in Middlesex harmonious?—Very; they are most admirable relations.

3569. Has it been arranged between the local authorities and the County Council of Middlesex that the County Council should protect their interests and represent them before this Committee?—Yes. There was a motion on the 24th January 1895, with direct reference to the opposition to these Bills, in these terms: "That it be referred to the Parliamentary Committee to take all necessary action between the meetings of the Council to protect the interests of the county in connection with the opposition to any Parliamentary Bills and Provisional Orders of the Session 1895, and that all the powers of the Council be delegated to the Committee accordingly, and the seal of the County Council be affixed to any petitions approved by the Committee." Then, subsequently to that, after we had attended a conference, the Council expressed their confidence in the Parliamentary Committee.

Chairman.

3570. Which conference?—There was a conference between the Parliamentary Committee of the County Council of Middlesex and representatives of the district councils in the county with reference to the Water Companies' Transfer Bills promoted by the London County Council.

Chairman—continued.

Lord *Robert Cecil.*

3571. I believe several of the local authorities in Middlesex have, in fact, petitioned against the Bill, have they not?—Yes, but they left that work very much to us to do.

3572. So that, taking it shortly, I may say you appear here not only as representing the Middlesex County Council, but also the local authorities who are affected by these Bills?—I think you may take that substantially.

3573. Can you mention the companies which have a right of supply within the area of the Middlesex County Council?—The Grand Junction and the West Middlesex, the New River, and the East London.

3574. The New River and the East London being to the north east, and the West Middlesex and Grand Junction, which, I think, are surrounded by a brown line on the map, are the companies on the west?—Yes. Several of the other companies have power to supply parts of Middlesex, but the power is not exercised to any extent.

3575. Does that make a considerable portion of the most thickly-populated part of Middlesex within the area of water supply of those companies?—Yes.

3576. And a large portion of the water which is furnished by those companies is drawn from wells, and other sources of supply within the county of Middlesex?—Yes.

3577. Do you feel that, apart from other considerations, Middlesex has a primary claim to the water that is found within the county itself?—Undoubtedly. I might say from my own personal experience that, as the river supplies get less in quantity in seasons of drought, the Middlesex companies create a much larger demand on the Middlesex water. I can tell that from practical experience.

3578. You mean to say when the river gets low they pump more from the wells?—More comes from the chalk.

3579. Can you mention to the Committee where

Lord *Robert Cecil*—continued.

where the most important of the wells are?—Of which company?

3580. Take the New River Company first?—They have got wells at Highfield, Campsbourne, and Betstile, at Edmonton and Hornsey, and New Southgate.

3581. That is to say, the Highfield well is at Edmonton, the Campsbourne well at Hornsey, and the Betstile at Edmonton?—Yes.

3582. Can you tell me what the population of Middlesex was in 1871?—In 1871 it was 320,000.

3583. And in 1891?—In 1891 it was 560,012.

3584. Can you tell me at all what the population is now?—There is an estimated population of 663,934.

3585. I ask you generally; I do not know whether you are in a position to give figures, but is it the fact that the population within those districts of Middlesex which immediately join London is increasing very rapidly?—I think it has doubled during the last quarter of a century.

3586. I do not know whether you know at all the estimated rate of increase which is going on there?—No, I cannot give you any figures with regard to that.

3587. I ask you, generally, what is the view of the County Council with reference to London having authority within the county of Middlesex?—They want, I think, to stand generally on one side in a totally independent position.

3588. Again, quite generally, is that a position which they have consistently taken up from the very outset?—From the very first.

3589. And they have always, I believe, made that perfectly clear to the London County Council?—I think so; I remember attending a conference.

3590. I think I will take you through that in order. In the first place, did the London County Council petition against the Water Commission Bill and the London Water Supply Bill in 1891?—Yes.

3591. And did Mr. Littler, the chairman of the Council, give evidence upon those Bills?—Yes.

3592. Strictly we are not entitled to say what he said, but I may ask you, was the view of Middlesex as expressed by him substantially to the effect that Middlesex must stand altogether outside London?—Undoubtedly. The evidence that Mr. Littler gave as chairman of our Council was entirely based on the assumption that the idea of Middlesex was to stand entirely outside any arrangement which London might think fit to make or propose.

3593. Did you attend a meeting on the 8th May 1891, summoned, I think, by the London County Council, and consisting of representatives of the London County Council and various outside authorities?—Yes; I attended a conference between the members of the London County Council and members and representatives of the various authorities in the metropolitan water area outside the county of London, on the 8th May 1891.

3594. Were certain proposals submitted to the conference by the London County Council?—Yes.

3595. I think it will be convenient if you will read what those proposals were. They were proposals for a basis of some kind of agreement between London and the outside authorities?—Shall I read the whole of Mr. Littler's remarks?

3596. I want, before you come to Mr. Littler's remarks, to read the proposals made by the London County Council. They are already on the Notes, so perhaps it will be more convenient if I read them. The first one was, "That the system of water management and distribution as generally adopted at the principal provincial towns would be preferable for application to London and neighbourhood, rather than the establishment of a water trust as proposed by the pending Bill." That referred to the particular proposals made by the Water Commission Bill, did it not?—Quite so.

3597. And was not, as you understood at the conference, designed to meet the general proposition of a trust?—I presume so, but at that conference it is only fair to say that the Members of Parliament who were present were the first to commence their remarks, and Mr. Littler rather wished it to be understood, inasmuch as those Members were anxious to get back to the House of Commons, that the views of Middlesex should be heard in the first instance.

3598. So that you would rather begin by saying what the views of Middlesex were?—Yes, that was the order in which it was taken at the conference.

3599. Perhaps you will just say what the proposals were submitted on behalf of Middlesex?—I think I can put them by reading an extract, very briefly. Mr. Littler, in his remarks on page 4, at the opening of the meeting, said this. Mr. Dixon-Hartland first started by asking the chairman if he would kindly take Members of Parliament first, as they had to get back to the House, and then the sum and substance of Mr. Littler's views seemed to be stated in this sentence: "We have formulated three heads under which we think our needs ought to be divided, and which we think are essential to any satisfactory proposal dealing with this question. We are quite desirous of assisting in every way in the solution of the great question of the London water supply. It must not be supposed from anything that I say that we are in the slightest degree desirous of obstructing or interfering. At the same time we must take care of our interests. The three heads under which we think our needs ought to be divided are, first, that no scheme shall be acceptable to Middlesex which does not provide for no further water being abstracted from the Middlesex water." Then he, further on, said, "We want the independent control from the beginning by Middlesex; first, of their source of supply; secondly, of their service; and thirdly, absolute non-interference with Middlesex, either as to rating or otherwise. Those are the three heads which we think will meet our views." That is the position of affairs to-day, and that was so in 1891.

3600. But, to make it quite clear to the Committee

Lord *Robert Cecil*—continued.

mittee what happened at that conference, would you turn to the resolutions which are set out at the end, and which are also set out in the Minutes at page 474?—Yes, I have them.

3601. You see that the first resolution which was adopted at that conference was one which I read to the Committee just now?—Quite so.

3602. Now I want to ask you if the Water Trust, "as proposed by the pending Bill," is to be taken as meaning what it says, and that it is not a declaration against all Water Trusts, but against that particular Water Trust?—Yes, against that particular Water Trust.

3603. The next one was: "That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency or terms of purchasing all or any part of the undertakings of the water companies." That also was a view Middlesex held very strongly?—Very strongly?

3604. The third was, "That the supply of water in each district in the metropolitan water area, outside the boundary of the county of London, should be as far as practicable in the hands of the local authority of such district, and within the county of London in the hands of the London County Council"?—Yes, that was carried unanimously.

3605. Those three were carried unanimously. Now, I want to refer you to the two following proposals, which were not carried: "That these objects should be effected by constituting the London County Council, in the first instance, the water authority for the county of London, and for the adjoining area now supplied by any metropolitan water company whose undertaking may be acquired by the London County Council"?—That was not carried.

3606. And, fifth, that "In the event of the undertaking of any metropolitan water company being purchased, any local authority outside the London County boundary, and within the area of supply of such company, shall have the option either (1) of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London Council on terms to be arranged; or (2) of having water supplied direct by the London County Council." Taking that fifth paragraph, that is substantially the proposal made in the present Bill?—Yes.

3607. And that is one which Middlesex has always expressed hostility to and never accepted?—Undoubtedly.

Sir. *H. Stafford Northcote.*] Were those two proposals voted upon?

Lord *Robert Cecil.*

3608. No, they were adjourned; they were not voted upon. (To the *Witness.*) The London Water Commission Bill and the London Water Supply Bill were, as we have heard, rejected. Did the Parliamentary Committee of the Middlesex County Council report to their council to that effect, and formulate their views of the necessities of the county in connection with water supply?—Yes.

Lord *Robert Cecil*—continued.

3609. Would you inform the Committee what the terms of that Report were. The date of the Report is the 22nd July 1891?—"Your Committee are of opinion that the interests of the county require that in any dealing with the question of the London water supply as it affects Middlesex, provision should be made against (*a*) the sinking of any new wells in the county; (*b*) the deepening of any existing wells in the county; and (*c*) for limiting the abstraction of water for the London or any other external water supply from Middlesex." Then "that no scheme would be acceptable to Middlesex which does not provide (*a*) for no further water being abstracted from the Middlesex area; (*b*) for the independent control from the beginning of (*a*) the sources of supply, and (*b*) the supply service." Then "the absolute non-interference with Middlesex as to rating or otherwise."

3610. I believe that the next conference (I do not know whether you have a note of it) you were not present at. This is a case Mr. Littler could have proved, but perhaps the Committee will allow you to state what it is. It is on the notes, but I want to read what Middlesex said at the Conference in 1894.

Mr. *Worsley Taylor.*] If it is on the notes you have a right to read it.

Lord *Robert Cecil.*

3611. Mr. Littler, perhaps you can tell us, was at the Conference held on the 13th July 1894?—I was not present.

3612. You were not, but I do not know whether you do know that Mr. Littler was there with Sir Frederick Dixon-Hartland for Middlesex?—Yes.

3613. In reference to that, Mr. Littler said that he had a meeting of the voluntary Committee of the Home Counties to consider this proposal, the proposal being substantially, I understand, the proposal embodied in the present Bill?—Yes.

3614. Mr. Littler said: "The last proposal which is before us is one which is dated from here on the 27th July 1894, and I may remind those who are interested in the matter that the two proposals which are now put forward are identical with those which were put forward in 1891, and on that occasion so little approval did they receive that they were both of them adjourned; and I am bound to say that, so far as the County Council of Middlesex are concerned, had we known that these were the proposals, we should certainly not have asked you to spend your time in discussing the matter to-day, because they are absolutely each of them to our minds entirely unacceptable, unless Parliament compels us to accept them. I am not going to discuss the question of water supply, because, though it is a question that has been discussed, it has never been fully discussed with regard to such undertakings as these companies. Now, as regards these companies, there are several policies which must be pursued. One is to leave them alone. Another is to have a regulating Act similar to the Gas Acts. Another is to have a water trust, which a great many people rather approve of. Another is to purchase and control by the County Council absolutely. Then there are the two alternatives which you suggested, and there is another

Lord *Robert Cecil*—continued.

proposal which is advocated, and that is that whatever is done (supposing the purchase is approved of, about which we say nothing) the principle which is adopted in Birmingham should be adopted here, namely, that inasmuch as the sources of supply are beyond the county of London, and are within the counties of Hertford, Middlesex, and Surrey, those counties should have the right, if they think fit, of purchasing, by such machinery as should be approved, the portions of the undertaking which are appropriate to the county. That is a principle which we have adhered to from the beginning, and from which I do not think there is much prospect of the counties varying, assuming always that any case is made out for purchase at all, with regard to which we say nothing, and assuming also that the London County Council are decided to be the proper persons to purchase, with regard to which again we say nothing, because it is not in our province to do so." That is substantially, I think, the effect of what Mr. Littler said on behalf of Middlesex?—Yes, it is.

3615. Were the present Bills laid before the Parliamentary Committee of the Middlesex County Council?—They were.

3616. Did they report on the 25th of January last?—Yes.

3617. Was the substance of that report to the effect that they adhered to the views which they had expressed in 1891?—Yes.

3618. Was that report received by the Council and approved?—Yes.

3619. So that I think it is not an exaggeration to say that from the very first moment Middlesex have always made it perfectly clear to the London County Council what their views are, and they never varied from them in the least?—I think so, undoubtedly.

3620. The Council, therefore, I gather, think it inexpedient that London should acquire the powers of supply of any of the companies in Middlesex?—That is their view.

3621. Do they consider that because the interests of London are in many respects antagonistic to the interests of Middlesex?—Yes.

3622. Do you know whether the London County Council think that too?—I believe it was admitted the other day.

3623. Of course, the Middlesex County Council in expressing their view have been anxious to consult the interests of the inhabitants?—Yes.

3624. What do you anticipate would be the immediate result of any such step if Parliament approved of it as empowering London to supply Middlesex?—In what regard?

3625. In reference to rates; what is your feeling about that?—I should be very much of opinion that the rates would increase.

3626. Could you explain, shortly, what your grounds are for that opinion?—I look upon the whole question of the London Water Supply being purchased by the London County Council as being a very huge piece of business about which it is very doubtful indeed that you could prophecy it would be a financial success, and in the event of its not being a financial success, it would cost more money than it does at the present moment, and so the rates must increase on that ground.

Lord *Robert Cecil*—continued.

3627. I do not know whether you know that the London County Council have more than once expressed a hostility to the supplies of the Thames and Lea, that is to say, that they think them not sufficient and adequate for the needs of London?—Yes, that may be true.

3628. And, of course, if they went for a great addition to that supply, either to Wales or elsewhere, would that be an extra element of expenditure?—Undoubtedly; and if Middlesex were embodied in London in this matter, they would feel it in the question of rates.

3629. In reference to that, is it one of your fears that London might be tempted, not only to throw a fair proportion, but an unfair proportion, upon Middlesex, of any expenditure it might be put to, that is to say, that they might have a differential rate, and impose a greater rate on those outside London than those inside?—Yes, they perhaps would do that.

3630. Do you see any great benefit that would arise to Middlesex from any such transfer as this?—None whatever.

3631. And is your opinion strengthened on that subject by the certainty of the very rapid increase in the population in Middlesex which would be affected?—Yes. Middlesex has enough water for its own purposes, and more to spare, and it is not likely that any scheme by which any large additional supply of water would be brought to London could be brought about without having a demand also on the spare water Middlesex has, and in that case Middlesex would have to pay again for its own property twice over.

Chairman.

3632. Are the inhabitants, so far as you know at present, tolerably well satisfied as to the quality of the water?—Yes, I think they are. At the present moment, of course, water companies are not in popular esteem, in consequence of the late frost, but very likely the public have not thought that in the event of meeting such a disaster as that, probably in the future, a good deal of money will have to be laid out in the lowering of mains, and in the junction of those mains which exist already, and which are the parts very likely to be frozen in the first instance with the private consumers' taps. I think, with that exception, the feeling which exists in consequence of the late frost, Middlesex are satisfied with their supply; the water is excellent in quality and abundant in quantity.

3633. Do they consider that the various companies (I think four or five) which supply Middlesex, deal reasonably fairly with them?—Yes, I am speaking more particularly of the Grand Junction Company now. I know they had some difficulty a time ago with the water of the West Middlesex, whose supply was not quite so satisfactory as it might have been, but I think that has been remedied now.

Lord *Robert Cecil.*

3634. Do you consider the observations which have been made by Sir John Lubbock, to the effect that since the water companies are now paying

Lord *Robert Cecil*—continued.

paying their maximum dividend any increase in their profits might be to the relief of the ratepayers in Middlesex?—I do not see where the increase of the profits is to come in.

3635. The quinquennial valuation is the suggestion, I believe; at any rate, supposing there is an increase of profit, it must be for the benefit of the ratepayers, and not that of the companies?—Yes.

Cross-examined by Mr. *Worsley Taylor*.

3636. As I understand you, the transfers in which Middlesex are interested are those of the Grand Junction, the West Middlesex, and the New River Companies?—Yes.

3637. So that, except that these Bills with reference to Lambeth and the Southwark and Vauxhall may throw some light on those transfers, you cannot be said to be very materially interested in the present Bills?—Quite so.

3638. In regard to three companies I have named, the Grand Junction, the West Middlesex, and the New River Companies, you would agree that, geographically, as they supply Middlesex, so they supply London as well?—Yes.

3639. Therefore, with regard to all those three, the claims of London, without disputing about population, in or out or anything of that kind, are at any rate as great as those of Middlesex?—I would admit that.

3640. And as was said at the Conference of 1891 by my learned friend Mr. Littler on behalf of Middlesex, so you would say now: "We are quite desirous of assisting in every way in the solution of the great question of the London Water supply. It must not be supposed from anything that I say that we are in the slightest degree desirous of obstructing or interfering"?—I can give you my personal views upon that. I do think that London requires a greater water supply. I think personally (giving my personal views—I am not to be answerable for the views of those people you refer to) that London requires a greater supply of water than it has at the present moment, and that the water supply is not adequate.

3641. And I suppose, as my friend Mr. Littler said, you would be desirous of assisting in the solution of a question of that kind?—Yes. First of all, if you do not interfere with us.

3642. And you go as far as he did, that you would not be desirous of obstructing or interfering with what may be the legitimate wishes of London so long as London is kept to itself?—Yes.

3643. Further, with regard to the matter of purchase, was my learned friend, Mr. Littler, representing rightly the views of Middlesex when he said, on the 23rd of June 1891, in answer to Question 5990, "your own people" (that is, the Middlesex people at large) "are in favour of a settlement by purchase probably, are they?—Yes." That would hold good, I suppose, now, as it did then?—I should think so.

3644. Would you agree with another answer of his which he gave then, at Question 5994: "Then I take it you favour the proposition that the County Council should supply water if they wish to do so?—As I say, I favour the idea of leaving the counties alone, and I have nothing to do with who does it in London; all I care about is, if there is to be an alteration, that we should do it in Middlesex." That I take to be your attitude still?—Yes.

Mr. *Worsley Taylor*—continued.

3645. Then further, at Question 5923, where he is cross-examined by Mr. Bidder: "If I understand your view, the matter in respect of which you desire further light and information is as to the ultimate arrangement between yourselves and the London County Council or the London Water Trust for the purchase of the undertakings and sources of supply on the north of the Thames?—"That is so;" and that is what I understand you to want carefully guarded?—That is so.

3646. You also agree, I suppose, with what he said then, that in all matters of negotiation and giving information the London County Council have been most courteous and ready to assist you in every possible way?—I do not think I can go so far as that, because my experience is not of much value in that regard. I have had no direct relations with the London County Council.

3647. Very well. If Mr. Littler, who had negotiations with them, said so, you would not wish to qualify that for a moment?—I should not.

3648. Since that time do you know that there have been conferences between yourselves, amongst other local authorities outside London, and the County Council?—Yes.

3649. And your views were expressed clearly at the first conference, which is in print, and to which we can refer hereafter?—That is the Conference of 1891?

3650. Yes, and the recent conference?—I was not present at that.

3651. Let me shorten the matter in this way. You have defined what you want, and I will put it shortly as adequate protection for Middlesex; have you any reason to doubt that when we come to discuss those three Bills we can arrive at a fair adjustment of our respective rights and interests?—It is quite possible that you could arrive at it.

Chairman.

3652. Have you got anything in your mind of the nature of the arrangement which might be satisfactorily made in the event of the policy of this Bill coming to be applied to Middlesex?—I am averse to the policy of this Bill. I do not think, I never have thought, that the London County Council are a body adequate or able to cope with this water question; that is my personal view.

Mr. *Burnie.*

3653. May I ask why that conclusion is arrived at; on the ground of too much work, is it?—Too much work, and the gigantic nature of the commercial undertaking. The commercial aspects of such a large undertaking seem to me to be most formidable.

Chairman.

3654. What I was rather thinking of was some evidence that we got from the representatives of some other county outside the London County. Some of them seemed to think if there were to be a purchase they would like to purchase the water themselves, and use what they want and give the surplus to London?—We should have no objection to that course.

3655. That would satisfy you?—Yes.

Re-examined by Lord *Robert Cecil.*

3656. There is also another course which has been suggested in Middlesex, is there not, that the Grand Junction and the West Middlesex area of supply could be re-arranged?

Mr. *Worsley Taylor.*] Is my learned friend going into details of this kind in re-examination?

Chairman.] I wanted rather to get the views of Middlesex as far as I could upon the alternative proposals made. The witness seems to have in his mind, as I understand, various ways in which any present objections to the proposals in this Bill, apart from the policy which he individually objects to, might be met. I wanted to know what his view was exactly.

The *Witness.*] Do you mean with regard to the solution as regards Middlesex?

3657. Yes?—We should prefer to be left alone; that seems to be our standpoint.

3658. But assuming, for the sake of argument, that the Preamble of this Bill were declared proved, and that a similar course of events occurred with reference to the Bills touching Middlesex, you seem to think then, I gather, that apart from your objection in principle to the whole scheme, your objection in detail might be got over, and I want to get as fully as I can what was in your mind on that point?—Certain schemes have been foreshadowed; such, for example, as the transfer to Middlesex of the Grand Junction, the West Middlesex, and certain portions of the New River Company. A

Chairman—continued.

scheme like that could be carried out; no idea of pressing forward that scheme as a line of action has been put forward, but that is an alternative; there is a very excellent alternative in that direction.

3659. Do those companies supply water partly inside the district of the London County Council and partly in the outside districts of Middlesex?—Yes.

3660. The point in my mind in asking these questions is as to the division of the spoil, if I may use that expression, supposing the present companies were to be bought up; what is your view as to the way in which such a transaction should be worked out with reference to the fact that at present those companies supply partly within and partly without the limit of the London County.

Lord *Robert Cecil.*] Perhaps you would allow me to interpose to this extent. I do not know that Mr. Bigwood has been into the actual engineering question. I am going to call as the next witness the engineer.

Chairman.] Very well. If Mr. Bigwood would rather leave it, let him do so.

The *Witness.*] Yes; I would rather leave it, but I am satisfied there is such a scheme, and the details of such a scheme could be conveniently carried out.

Lord *Robert Cecil.*

3661. You have been asked by my learned friend whether you see any reason to think London will make an adequate arrangement as to Middlesex, when the Bills affecting Middlesex come before the Committee. Let me ask you this: Have the views of Middlesex been before the London County Council since 1891?—Yes.

3662. Have they at present shown any sign whatever of concurring with those views?—Not any.

3663. Or in any way meeting them?—No.

3664. They did not even consult you about the terms of this Bill?—Not at all.

The Witness withdrew.

Mr. THOMAS FENWICK, sworn; and Examined.

Lord *Robert Cecil.*

3665. ARE you a member of the Institution of Civil Engineers, and a Fellow of the Surveyors' Institution?—Yes.

3666. Have you carried on business in Yorkshire for about 35 years?—Yes.

3667. Have you been largely engaged in all questions affecting the supply of water to various towns in England and Wales, in the construction of waterworks and the selection of drainage grounds for reservoirs?—Yes; I have been more or less engaged in that business for the last 30 years.

3668. And the purchase and sale of water undertakings for corporations, local boards, and water companies, and that kind of business?—Yes.

3669. Have you considered these Bills which are now before Parliament for the purchase of

Lord *Robert Cecil*—continued.

the undertakings of the eight water companies?—Yes, generally; as affects Middlesex.

3670. You have made yourself familiar with the areas of supply, and the means of supply in Middlesex by the water companies?—Yes.

3671. Will you point out to the Committee which are the portions of Middlesex which are within the area of the West Middlesex and Grand Junction Companies respectively?—You will find it more clearly marked upon my map; a portion of the district which is now supplied by the Grand Junction Company is coloured green and yellow; the green is lying outside the metropolitan area of London, and the yellow inside. The West Middlesex supplies that which is coloured blue and pink, the blue lying outside the metropolitan area, and the pink inside.

3672. Have you estimated the population at present

Lord *Robert Cecil*—continued.

present supplied by the Grand Junction and West Middlesex Companies inside Middlesex and outside London?—Yes; inside the county of Middlesex they supply together now 231,330 persons.

3673. Will you describe the Grand Junction Company's works which are within Middlesex?

Chairman.] Do I understand that Mr. Fenwick comes here as a witness on behalf of the County Council of Middlesex?

Lord *Robert Cecil.*] Yes, certainly.

Chairman.] Not as a witness on behalf of the water companies.

Lord *Robert Cecil.*] No, Sir. I have nothing to do with the water companies. Indeed I do not know that we are in all respects at one, but he comes here as entirely representing the Middlesex County Council.

The *Witness.*] The Grand Junction Company's works, except certain mains and pipes and the high-level pumping station at Campden Hill, are all within the jurisdiction of the Middlesex County Council.

3674. What works are they?—Pumping engines at Hampton and Kew, which have an aggregate of 3,154 horse-power, drawing a supply of nearly 19,000,000 gallons a day from the Thames, and gravel beds.

3675. Will you explain what is the length of miles of mains outside the metropolitan area?—They have 245 miles of mains outside the metropolitan area, supplying a population of about 136,500, and 190 miles of mains within the county of London, supplying a population of 249,000.

3676. So that though the mains are considerably shorter, they do in fact supply a larger population within the metropolitan area?—Yes. The total population supplied by this company, therefore, at the present time is 395,500.

3677. Will you describe the situation of the mains?—Yes. A 30-inch and a 12-inch main are in the Bath main road, and a 30-inch and 24-inch main in the Uxbridge main road, which convey the water from the outside district into Hammersmith and Kensington.

3678. You have pointed out on your map, have you not, which are the districts supplied by the West Middlesex and which by the Grand Junction?—Yes.

3679. Now as to the West Middlesex Water Company's works; where do they derive their supply from?—They derive all their supply from the Thames at Hampton, where they have engines of 560 horse-power. They pump upwards of 19,000,000 gallons a day through Hampton, Teddington, and Twickenham by two 36-inch mains into their reservoirs at Barnes. It is filtered at Barnes and then conveyed to the engine wells at Hammersmith, and thence pumped by engines of 1,605 horse-power into the district of supply. They have 127 miles of mains outside the metropolitan area, which supply a population of about 95,000, and 340 miles of mains within the London county, which supply a population of about 486,000.

3680. So that West Middlesex is much more

Lord *Robert Cecil*—continued.

of a London company than the Grand Junction Company is?—That is so.

3681. Then the effect of that, of course, is that the Middlesex County Council are very much interested in the control of these works?—I think they are deeply interested in the control of both these works.

3682. And do you feel, in view of that, it would be very unfair to allow the London County Council to have the sole control of these works?—I think so.

3683. Will you explain, from your point of view, some of the reasons which have led you to that opinion?—If the London County Council were the controlling water authority they would be empowered to sink wells and abstract water from the county of Middlesex, which water ought to be properly preserved for the material increase which there will be in the outer districts, because the outer districts, as we know, and it is agreed on all sides, are increasing much more rapidly than the metropolitan area, and must necessarily do so. One fact in relation to that I have taken from the estimates of Mr. Binnie. I find that, according to Mr. Binnie's estimate, in the next 50 years the increase of population outside the metropolitan area will be 10 times as much as in the inside, and that within the next 40 years it will be more than eight times increased.

3684. Supposing there was a deficiency in supply, a drought, or anything of that kind, what do you say as to that; would it be possible for the London County Council to favour the London population?—They might do so, of course, if they were the controlling water authority, but as the water authority they might at any time abandon the Thames as a source of supply either wholly or in part, and then they could enforce on the whole of the county of Middlesex a partnership in the contemplated scheme of a water supply from Wales.

3685. Of course you do not wish to express any opinion as to whether that is a good or proper scheme from the point of view of London?—Such a scheme as that may be very proper and advantageous for London, but the Middlesex County Council have no need for it; they have an ample supply within their own control, and do not require that Welsh supply. Let London have it by all means if they wish it.

Chairman.

3686. You say the County Council of Middlesex have an ample supply within their own control; in what sense do you mean that?—They have the companies supplying them direct; they are the first takers from the Thames, for instance.

3687. They have no further control over the companies, have they?—No, they have no further control over the companies than the London County Council at present.

3688. You did not so much mean, if I may venture to say so, that they had a source of supply under their control as that they had such a source of supply within their own district?—That is what I meant.

 3689. There

Lord *Robert Cecil.*

3689. There is one other point which I understand you wish to make as to the removal of the works of the water companies to Wales?—If that Welsh scheme were carried out, not only would the ratepayers in the county of Middlesex be made to contribute to the cost of the new supply, but that burden would be increased upon them by the fact that the rates which are now obtained from the valuable properties belonging to the water companies would be very materially reduced, if not altogether extinguished, while the rates on the costly works of reservoirs and aqueducts which would be made in the remote districts would be levied on capital supplied by London and Middlesex, and would be for the benefit of the people of Wales and the long stretch of country through which the aqueducts would pass. The rating power in Middlesex would be very much reduced, and the rates would be levied on property outside altogether.

3690. The Chairman asked the last witness a question as to the possibility of an arrangement which might give substantially to Middlesex all it wants without affecting the question of London acquiring the water companies. Would you explain what the scheme with reference to the separation of the West Middlesex and Grand Junction is?—It would be a very easy matter, by an arrangement between the two companies themselves; I do not know what their feelings might be, but it would be a very easy matter indeed to let the whole of the supply now brought in from the Thames by the West Middlesex be sent into the county of London and altogether consumed by them, and the Grand Junction withdrawing their supply from inner London could be altogether kept outside for the supply of Middlesex so that the West Middlesex would supply inner London and the Grand Junction might supply the outer districts in Middlesex.

3691. Some of my learned friends have not quite followed what you say. What you suggest is, that all the districts in Middlesex and outside London at present belonging to West Middlesex should be handed over to the Grand Junction, and that all the districts inside London belonging to the Grand Junction should be handed over to the West Middlesex?—Yes; handed over with the consent of the parties themselves.

3692. Of course by a proper arrangement; and in that way do you think the Grand Junction might be left as a purely Middlesex Company supplying in Middlesex, and the West Middlesex as a company supplying in London?—Yes, I think that would be a very satisfactory arrangement, and it would leave Middlesex with the control of the water supply so far as the county councils have any control over the companies, and would leave them free altogether from any intervention or interference from the London County Council.

3693. That is the main point; it would leave them free from interference without saddling them with the burden of a great commercial undertaking?—As I understand it, the great object of the Middlesex County Council is to avoid being over-ridden by another authority. They think they are as competent to manage their own affairs as the London County Council is to manage its own affairs.

Lord *Robert Cecil*—continued.

3694. In reference to the dislike of Middlesex to be put under the control of London, have you prepared a list of towns in England, Scotland, and elsewhere, where the supply to the outside authorities has been at a very much higher differential rate than the supply to the inhabitants of the towns themselves?—Yes. I have not my own copy, but I have given you a copy.

3695. Will you read it, and explain it to the Committee?—The corporations and other water authorities in several towns charge an additional rate upon all districts that are lying outside their own areas. For instance, Ashton charges 25 per cent. above the inside charge; Bolton, when above 100*l.*, charges 25 per cent.; Burnley charges as much as 50 per cent. in addition; the present charge at Carlisle is 33⅓ per cent. (that is intended to be reduced to 25 per cent.); Colne Valley, outside Harrow, charges 14 per cent. in addition; Doncaster charges 25 per cent. extra; East Side charges 12½ per cent. extra; Guildford 50 per cent.; Halifax 50 per cent.; Heywood 25 per cent.; Huddersfield 25 per cent.; Manchester 5 per cent.; Newport 20 per cent.; Oldham 1 per cent.; Ripon 25 per cent.; Rochdale, except Littleborough, 25 per cent.; Stockton and Middlesborough 25 per cent.; and at Glasgow the domestic rate is 6*d.* in the £, and the public rate 1*d.* in the £ in the town, but outside it is 10*d.*, or nearly 50 per cent.

Cross-examined by Mr. *Balfour Browne.*

3696. And this shows that in all those cases the municipality is supplying outside its own limits?—Yes, that is so.

3697. And I daresay you do not say it is an unfair thing that Parliament has done in allowing a municipality to charge more outside than in?—I do not think it is unfair where the outside district wants a supply, and cannot get it otherwise.

3698. And, of course, they are not responsible in any way for loss on the affair?—They are not.

3699. While the inside is responsible for loss?—Of course.

3700. Therefore, the inside taking the risk, it is not an unfair thing that it should charge its own people less than the outside people?—Quite fair, I think.

3701. Let us see whether we understand the position with regard to Middlesex and London. First of all, I understand you are an advocate for the expropriation of the water companies, and putting the water supply into the hands of the county councils?—I think it would be better to do that than allow the whole control to be in the hands of the London County Council.

3702. I am coming to that, but we are both wanting to get rid of the companies?—At all events, Middlesex require to keep the control within themselves.

3703. I understand Middlesex wants to have the control itself. Now, let us see if we can understand the matter. You have given some figures which I am not quite sure are correct. I am sure you tried to make them correct, but I want

Mr. *Balfour Browne*—continued.

want to get them correct. First, with regard to the Grand Junction, you said that the population that the Grand Junction supplied in Middlesex was 231,000?—By the Grand Junction and West Middlesex Companies, and I gave the separate figures.

3704. Would you mind giving them separately; first, supplied by the Grand Junction in Middlesex, how many?—141,000.

3705. How many people are supplied by the Grand Junction in the administrative county of London?—257,464.

3706. That is the fair comparison so far as the Grand Junction is concerned?—Yes.

3707. Will you do the same for the West Middlesex; how many in Middlesex, and how many in London?—In Middlesex 94,914.

3708. And in London?—486,000.

3709. I do not know how you have got your figures; but the companies themselves put in certain figures before the Royal Commission on Water Supply, and, taking the Grand Junction, I see they say that they supply 266,620 persons within, and 123,708 outside?—Yes, I got these figures from the engineers to the companies themselves. I went to inquire from the engineers, who gave me those figures.

3710. Then I understand you are not responsible for them?—I got them from the Minutes of the Royal Commission Inquiry, and they were corrected by the engineers, who said there was a little mistake there.

3711. You say, I understand, it would be a perfectly easy matter, when we come to the Bills for the purchase of the West Middlesex and the Grand Junction, to hand over to the one a district that is supplied at present by the other?—Yes, I think so.

3712. In that case, do I understand you to say that the Grand Junction Company might be kept exclusively for the supply of Middlesex?—Yes.

3713. I suppose when the Grand Junction Bill comes up that would be the case you would make against it?—I do not know what the company would say; that is my own case.

3714. I am speaking of your view?—That is my view.

3715. And that really the Grand Junction Company need not be purchased for the purpose of London?—It need not be if an arrangement can be made by which they will be kept outside of London altogether.

Mr. *Balfour Browne*—continued.

3716. Quite so, if such an arrangement can be made?—Yes.

3717. Do you not think that is a matter of arrangement?—I do not know that anything is not a matter of arrangement if it is gone into in a friendly way.

3718. Except when it is a matter for arbitration. I do not know whether you know that this very matter which you have raised before the Committee has been under the consideration of the county council?—I do not know that.

3719. Perhaps you have not seen the report in which that is referred to?—No.

3720. I daresay you have nothing to say against these two particular Bills. You are speaking of the Grand Junction and the West Middlesex, are you not?—I do not know anything about these two Bills.

Re-examined by Lord *Robert Cecil.*

3721. In reference to that point, do you not feel this: that these are only parts of a general scheme?—Of course.

3722. And that supposing the Middlesex evidence was sufficient to reject the West Middlesex and Grand Junction Bills, the Committee of Parliament would be put in this position: that either they would have to abandon the general scheme of buying all the eight companies, or they would have to over-ride the just objections of Middlesex?—They would require the authority of Parliament, of course, to any deviations from the general Bill.

3723. You have been asked whether Middlesex desires to get rid of the companies, and I understand you to say that the effect of your scheme would be to get rid of them; but it is not the fact to say that the county council of Middlesex has any desire whatever to disturb the present position, is it?—As far as I know the county council, they have no desire whatever to interfere; they want things to remain as they are.

3724. They have no complaint to make against those companies?—Not the least, so far as I know.

3725. What they feel is, if there is to be any change, it should be on the lines of such a change as you have shadowed forth to the Committee?—I think so, if any change should take place.

3726. But they prefer no change at all?—They prefer to remain as they are.

The Witness withdrew.

Mr. WALTER GEORGE AUSTIN, sworn; and Examined.

Lord *Robert Cecil.*

3727. YOU are the Deputy Clerk of the Peace for the County of Middlesex?—Yes.

3728. I want to ask you in reference to the question which has been raised as to the power of the county council of Middlesex to promote Bills. I do not, of course, propose to ask you any question of law, but merely an instance of what actually did happen, to show the difficulty which the county council are under with reference to the promotion of Bills. I want you to tell me quite shortly the state of affairs with reference to the River Brent; I think it was in 1893?—Yes. In 1893 there were great complaints about the condition of the River Brent, and it was suggested by the county council of Middlesex to the local sanitary authorities on the river that they should join together and form themselves into a Joint Conservancy Board, and go to Parliament for powers for that purpose. That arrangement fell

Lord *Robert Cecil*—continued.

fell through, and such great complaints were made in 1894 with regard to the matter that the county council thought it was desirable, although there was great doubt as to whether they had power to promote a Bill, that a Bill should be promoted, but that we should go to the Local Government Board and ask them whether, under the Local Authorities (Expenses) Act, 1887, c. 72, we should be able——

3729. Perhaps I had better read the provision in that Act, as it has not been before the Committee before. First, there is the short title, and then there is the definition, and then there comes the third operative clause: "Expenses paid by any local authority whose accounts are subject to audit by a district auditor shall not be disallowed by that auditor if they have been sanctioned by the Local Government Board"; that was the Act?—Yes, and on that the council resolved to promote a Bill subject to the necessary authority being got from the Local Government Board under that particular Act. A letter was written to the Local Government Board explaining the circumstances and the difficulty Middlesex was in in consequence of these complaints; but in answer to the application of the county council, a letter was written by one of the assistant secretaries of the Board in the following terms: "I am directed by the Local Government Board to advert to your letter of the 27th ultimo asking them to sanction the incurring by the county council for Middlesex of expenditure in connection with the promotion of a Bill to enable them to clean out and improve the bed of the rivers in the county." (The application was made wider than merely with regard to the River Brent, because there would be probably other rivers which would have to be dealt with in the same way.) "In reply, the Board direct me to state that they do not consider that they can properly undertake to sanction under the Local Authorities (Expenses) Act, 1887, any proposed expenditure by the county council in promoting a Private Bill in Parliament." On the receipt of that letter the idea of promoting a Bill fell through, because the members of the county council were not prepared to incur the

Lord *Robert Cecil*—continued.

responsibility of having a surcharge, and therefore, although we are prepared to deal with the Brent, we are not able to do so.

3730. It was in all respects a desirable Bill to pass, I suppose?—Clearly, great complaints are being made at the present day about the condition of the river.

Chairman.

3731. On what ground were the complaints made?—More on the ground of pollution, which existed in years gone by, which had got into the bed of the river; and when the water is low, the Regent's Canal Company impounding most of the river at the Brent reservoir, the banks of the river are composed of mud and sewage which came into it in years gone by. It was for cleaning out the river.

3732. Nothing to do with the water supply?—Nothing to do with the water supply.

Lord *Robert Cecil.*

3733. I do not know whether you know that that was a scheme which was, in fact, opposed or not?—No, I think that all the sanitary authorities on the Brent would have been very glad if the county council obtained a Bill in that sense.

3734. But the county council did not feel itself justified in running the risk under those circumstances?—Certainly not.

Cross-examined by Mr. *Balfour Browne.*

3735. I do not know how that bears on this inquiry. As I understand, you believe that, as a matter of law, it is doubtful, at any rate, whether you can promote Bills?—Having regard to Section 15 of the Local Government Act of 1888.

3736. Mr. Littler, who is chairman of the county council, gave evidence in 1891 that they have. Perhaps they have for certain purposes; but if you have not power to promote Bills, is not that all the more reason why the London County Council, who have power to promote Bills, should do it?—Should do what?

3737. What we are doing now, promote a Bill for your benefit?—I am hardly here to express a view upon that point; but it is dealing with an area outside their own county.

The Witness withdrew.

Mr. George Eedes Eachus, sworn; and Examined.

Lord *Robert Cecil.*

3738. Are you a member of the Institute of Civil Engineers, and are you mainly acquainted with the north-east corner of the county of Middlesex?—I am.

3738.* Do you know that part of the county very well, and have you had opportunities of estimating the probable growth of the population in the various urban districts in that part of Middlesex?—Yes.

3739. I do not know that I need go in any detail through those, but are they increasing at a very rapid rate?—They are.

3739.* The rate of increase, taking it roughly, is about 50 per cent., is is not?—About 50 per cent. in 10 years.

Lord *Robert Cecil*—continued.

3740. Will you describe to the Committee the sources which supply that part of Middlesex?—In that portion of Middlesex there are four wells belonging to the New River Company; the northern one, shown on the map is known as Hoe Lane; the second one, just above the words "New River," is the Highfield; the bottom one is the Campsbourne, and there is one which I do not see on the map known as Betstile.

3741. I do not want to go, at this stage at any rate, into the details of the amount which those wells supply; but are you satisfied if those wells are properly left under the control of Middlesex, that portion of Middlesex at any rate could be properly supplied with water?—Yes; from those wells.

3741.* Do

Lord *Robert Cecil*—continued.

3741.* Do you see any reason why, under those circumstances, you should be put under the domination of the London County Council with respect to water supply?—No; in that district we think that we should suffer very much if such a step were taken.

3742. I think there are some figures which you are anxious to bring before the Committee as to the cost of any such purchase as is proposed by the London County Council?—Yes.

Mr. *Balfour Browne.*] Of what?

Lord *Robert Cecil.*] Of those works.

Mr. *Balfour Browne.*] Surely we are not going into the question of the cost of buying the works up here; we are on the Lambeth and Southwark and Vauxhall Bills.

Lord *Robert Cecil.*] I submit anything which goes to the preamble of any of the Bills we are bound to raise on this Bill, because we shall be put in the position that supposing it is held afterwards by the Committee to be a proper point on preamble——

Chairman.] I think you may go in a general way into it.

Mr. *Balfour Browne.*] Further, sir, I do not think you would like to prejudice the case hereafter before an arbitrator. They are going into the price which would have to be paid for those wells.

The *Witness.*] What I was going to show broadly was, that all the water undertakings, I may say, are much more profitable within the area of London than they are outside London, and that consequently if the London County Council buy up the water companies, and then sell to us the portion which is in our district, we shall practically have to pay through the nose for the portion which we have left to us, because the portion left to us will be the most unprofitable part of the undertaking.

Lord *Robert Cecil.*

3742.* That seems to be an important point, if I may say so, and if you can give the figures it might be of considerable assistance?—I would not commit myself to actual figures, but simply taking as a basis the New River Company, and broadly putting it at 9,000,000*l.*, (it may be less, considerably than that; but it is a convenient figure to work upon) assuming the purchase-money of the New River Company to be 9,000,000*l.*, we require in the Middlesex district approximately a sixth of the supply of the New River Company. If we had to pay for a sixth of the 9,000,000*l.*, that would be 1,500,000*l.* to the districts which are now supplied by the New River Company outside the county of London. That would roughly be equal to two years' full rateable value of the districts which now receive their supply from the New River Company, and without adding any expense for bringing water from Wales, or even the ordinary annual expenses, it would load that portion of Middlesex with at least a 2*s.* rate. At present we do not have to pay half that for the supply which we receive from the New River Company, and it strikes me, in laying down these various areas for the water companies originally, Parliament took into account that the outer districts gave the water, and the inner districts of London would help to pay to ease the burden, in fact, to the outer districts, in return for their giving the necessary water. That seems to me to have been the broad equitable basis on which all the companies have been established, the outer districts give the water, the inner districts find the money.

Lord *Robert Cecil*—continued.

Cross-examined by Mr. *Balfour Browne.*

3743. Are the outside districts increasing more rapidly than the inner circle of London?—They are.

3743.* Therefore the future value would all be in the outside districts?—The future value when they arrive to the density of London would undoubtedly be in the outer districts, but that is looking a long way hence.

3744. As I understand, you have made for your own pleasure a valuation of the New River Waterworks?—Yes.

3744.* Did the company assist you to do that? No, I simply took the amount agreed with Mr. Smith, and rounded the figures.

3745. I see you took Mr. Smith's figures?—Yes; for these purposes.

3745.* And you added on something to that? I added a little something on to that to round the figure.

3746. Assuming that it is 9,000,000*l.*, which is a good round sum, your argument is that if that is divided proportionately you would suffer?—We should suffer if it is divided proportionately to the water taken.

3746.* Who said it was to be divided proportionately?—The whole experience that one has had in the past of such things——

3747. Have you had much experience of purchases by the London County Council of water in London?—No.

3747.* Then what experience have you that it has always been divided proportionately?—I have been engaged in a number of cases where arbitrations have taken place with regard to sewerage and other matters and gas, and we generally find that the actual cost of works is taken into account; and if you take the actual cost of the works in proportion to the quantity of water raised, I think it only stands to reason that the advisers of the London County Council would charge us the actual cost of our portion of the works.

3748. Do you mean to say that the companies should be bought at actual cost?—At actual cost with the profit taken into account.

3748.* Do you know if they were bought at actual cost the whole companies have only spent about 15 millions on their works?—They have grown in value.

3749. Instead of being absolutely in proportion, supposing the matter was sent to an arbitrator to find out what proportion Middlesex should pay for the portion taken, would that satisfy you?—I have doubts about an arbitrator looking at the thing in the way we look at it.

Re-examined by Lord *Robert Cecil.*

3750. Do I understand you to say that you assume that in the division of these works between

Lord *Robert Cecil*—continued.

Middlesex and London the price would be determined by the proportion of water supplied in each case?—That is so.

3751. Do you say that it would be apportioned between the two councils in proportion to the quantity of water supplied at the date of transfer?—That is so.

Lord *Robert Cecil*—continued.

3752. Within the two portions of the county respectively, you think that would be the arrangement?—Yes.

3753. Are you aware that the words I have just used are precisely the words in the Surrey agreement?—I have not seen the Surrey agreement.

(The Witness withdrew.)

Mr. Edwin James Lovegrove, sworn; and Examined.

Lord *Robert Cecil.*

3754. Are you an engineer, and are you specially conversant with the Hornsey district?—I am.

3755. I do not know, after the evidence that has been given, that I need go in any detail into your proof, but the Hornsey district is largely supplied by the Campsbourne well, is it not?—It is supplied by the New River Company.

3756. Let me put it in this way. The Campsbourne well is within the Hornsey district?—The Campsbourne well is within the Hornsey district.

Lord *Robert Cecil*—continued.

3757. And that affords a very large supply of chalk water?—It does.

3758. Are you of opinion that from that well, with proper arrangements, all the wants of the Hornsey district could be supplied?—There is more than enough for the wants of the district now being drawn from that well.

3759. Therefore, do you see any reason why that well should be handed over to the London County Council?—I do not.

Mr. *Worsley Taylor.*] I have nothing to ask the Witness.

(The Witness withdrew.)

Mr. Daniel John Ebbitts, sworn; and Examined.

Lord *Robert Cecil.*

3760. Are you engineer and surveyor to the Acton District Council?—I am.

3761. Do you desire to raise what is admittedly rather a small point, but one which is thought to be of the very greatest importance to the Acton district?—Yes.

3762. Under Clause 24 there is a provision in this Bill, is there not, that the local authority, whoever it be, should be entitled to require a supply in bulk not exceeding 35 gallons per head?—That is so.

3763. I understand you wish to bring before the Committee in no great detail, but generally, the fact that for the Acton district that would be a grossly insufficient supply?—That is so.

3764. Will you describe generally the nature of the industries at Acton, and the quantity of water per head you think is required there?—Acton is peopled a great deal with laundrymen. The laundry trade is located at Acton principally, and a great deal of the washing of the west end of London is carried on at Acton. The number of laundries is very large in proportion to the number of private houses, and therefore the consumption of water is very great. We prove that in one simple way by the delivery of sewage at our sewage works, which takes the sewage from 10,000 persons at the present moment, and making all deductions, we arrive at last at this result, that we are using in the middle of the week 49½ gallons per head per day.

3765. So that it is only an illustration of the kind of difficulty that would arise when London is to supply the outside district, and that the

Lord *Robert Cecil*—continued.

proposals made in this Bill would not be, in fact, sufficient for Acton?—No.

3766. Do you get at present as much water as you want from the water companies?—Yes. We say if you take out the maximum altogether the clause suits us, because it says, "sufficient water supply." In Clause 24 it says, "such quantity of water as may be required, being not less than 25 or more than 35." If you leave out the latter words that is all we require. What we want is enough water to carry on our business.

Cross-examined by Mr. *Worsley Taylor.*

3767. You do not get any water from the Lambeth or the Southwark and Vauxhall Companies, do you?—No.

3768. And, I understand, when some other Bill comes on, you want a slight alteration in the clause?—The Council has petitioned against the Bill, but I am only speaking as to this one clause.

3769. For Acton, when some other Bill comes on, you want some slight alteration in the clause?—But a very important alteration.

Re-examined by Lord *Robert Cecil.*

3770. Whether slight or not, it is of vital importance?—Yes.

(The Witness withdrew.)

Lord *Robert Cecil.*] That is all the evidence I have to bring before the Committee on behalf of Middlesex, but there is some evidence which I wish to bring before you on behalf of Hertfordshire.

Sir JOHN EVANS, sworn; and Examined.

Lord *Robert Cecil.*

3771. ARE you the chairman of the Parliamentary Committee of the Hertfordshire County Council?—I am the vice-chairman.

3772. You desire, in order to save time, to bring mainly what I may call the special case of Hertfordshire before the Committee?—Yes.

3773. But perhaps I may ask you this general question to show you are not hostile to the case I have been submitting to the Committee. Do you, or do you not, think it would be a proper thing for London to have authority with regard to water supply in Hertfordshire?—Our opinion certainly is against London having any authority in Hertfordshire. We think London should not have any voice in the management of affairs in Hertfordshire.

3774. The main case of Hertfordshire, or, at any rate, the main grievance which is felt in Hertfordshire, is not the apprehension of London coming there, but that already too much water is given to London from Hertfordshire, is it not?—There is no doubt that already the water supply of Hertfordshire is very seriously depleted by the demands of the two London companies which draw a large portion of their water from Hertfordshire.

3775. If a transfer of the New River and East London Companies to the London County Council takes place, what result would you anticipate in reference to the interests of Hertfordshire?—Our fear is that if the water supply now drawn by the companies is transferred to the London County Council, that the London County Council will be more likely to extend their demands upon our water in Hertfordshire than the companies, and that we should have greater difficulty in contending with so powerful a body as the London County Council, and it would be far more difficult to deal with them, in our opinion, than it would be to deal with individual companies.

3776. Do you consider that the known hostility of the London County Council to the supply from the Thames and the Lea Rivers would materially increase that danger?—The hostility of the London County Council to the Thames and Lea River supply has already been expressed very strongly, and I do not at the present time see that there is any provision taken for obtaining a fresh supply of water for London from any distant spot.

3777. I think we must boldly look in the face the fact that you are not altogether in agreement with the Report of the Royal Commission?—Certainly not. I have already pointed out the discrepancies between the results arrived at by the Royal Commission on Water Supply, and those which I regard as being probably the results from natural causes.

3778. Perhaps you will elaborate that. I do not know that the Committee have that before them?—Soon after the appearance of the report of the London Water Commission, I wrote a letter to the "Times," pointing out that whereas they proposed to draw only a limited quantity of water from the Thames, they stated that there was power along the valley of the Lea to extend the supply of water from that district by about 22,500,000 gallons a day by means of wells, and I think in other ways that they considered that 40,000,000 gallons a day might be drawn from the River Lea and its valley, either by means of the river or by wells. That was in September 1893, immediately after the report had appeared. In September 1894 my prophecies were fulfilled in this manner, that the East London Water Company notified to their consumers that their supplies would be cut off during the night in order that they might economise their water to the extent of 10,000,000 gallons a day, so that practically the amount given by nature was 10,000,000 gallons a day less than that on which the Company had formerly been relying, and was certainly 50,000,000 gallons a day less than the Water Commission said might be safely drawn from the valley.

Lord *Robert Cecil*—continued.

3779. I think we must go into that a little further---

Chairman.

3780. I do not quite follow what the object of this kind of examination is, because you know we have delegated to an arbitrator whose privilege and pleasure it will be to enter into those considerations, those questions, and unless this is for some other purpose, I do not see what it is for?—May I explain? The views of the London County Council being so strongly against drawing water from the river, we fear that they would take advantage of their position as the water authority along the Lea valley, to extend the wells, and that pumping from wells would affect more materially our springs and wells in Hertfordshire than drawing from the river would do. The company is merely entitled to withdraw the excess of water that was flowing to waste. Under these new conditions, in all probability the actual sources of the water would be intercepted.

Lord *Robert Cecil.*

3781. Perhaps I might be allowed a word in explanation of what Sir John has said. Of course you are aware that there is no legal right to underground water; the result is, that if I have a well on my plot of land, I may pump all the water so as to completely dry up my neighbours all round, and that is exactly what we say the New River Company are already doing to us to a large extent; and we further say that if London is to be substituted for the New River Company with their hostility to the stream water, they will naturally pump more and more from the chalk and completely dry us up. That is our case. (To the *Witness.*) I do not know whether you have explained to the Committee the different manner in which the Royal Commission treated the Thames watershed from the Lea watershed?—The Commission, in their Report, I have not got it here and I have not had any opportunity of refreshing my memory by reading it, but, so far as I remember, the Commission distinctly stated that any wells sunk

Lord *Robert Cecil*—continued.

in the immediate vicinity of the Thames would, to the extent by which water was pumped from them, diminish the flow in the river, but when they got to the valley of the Lea, they stated that the wells would have a different effect, and that they would be drawing water from some unknown sources, coming from no one knows where, and apparently running up hill to some unknown source, either the River Thames or the sea.

3782. Making that criticism on what the Royal Commission reported, do you generally agree with what they say in paragraph 180, that it was possible by excessive pumping to deplete Hertfordshire of its water?—I perfectly agree with that. Of course, if more water is pumped than finds its way into the body of the earth by percolation from the surface, the natural result is that the level of the underground water is lowered, and if there is excessive pumping in any spot the level there will be more greatly lowered, and if these wells are carried out along the valley, if any local authority wishes to supply itself from similar wells, one authority will be pumping against the other and the level of the water will be lowered, with the general result that those living higher up the valley on the same stream will find their water supply diminish, if not absolutely cease.

3783. *Chairman.*] So far as affects the controversy on the present Bills, as I understand, the argument is that in your efforts to restrict this process you would find it more difficult to deal with a powerful body like the London County Council than with a single water company?—You have summed it up exactly.

Lord *Robert Cecil.*

3784. There are two difficulties, I may say. In the first place, London will be able to supply exclusively from the chalk wells, and not partly from the stream, and then, in the next place, there is the difficulty you have suggested, that they are a much more powerful body. I should like you to bring before the Committee the evidence which you feel at liberty to give with reference to the danger that is already threatening Hertfordshire in this respect. Will you begin by describing the general theory?—The general theory is this, that over a porous district, like the chalk of Hertfordshire, there is a certain amount of rainfall. Out of that rainfall, a very large proportion is carried away by vegetation and evaporation. Of the remainder of that which falls during the winter months when vegetation and evaporation are not going on with any rapidity, a certain amount will find its way down into the body of the chalk, and replenish what is known as the subterranean reservoir, thereby raising its level at the point farthest away from any delivery. If, for instance, there is a stream here and a stream there during the summer, the surface of the subterranean reservoir may be represented by a curve. In the winter, during which a large amount of water has percolated into the soil, that would be raised so that the arch (if I may use the expression) would be very much higher. Then, during the

Lord *Robert Cecil*—continued.

summer months, while any water that falls on the surface is delivered into the streams, the summit of this reservoir gradually falls, the reservoir itself being drained by streams at the sides of the hills into the existing rivers. During the whole of the summer months the streams in chalk districts continue to flow even if there be no rain whatever, and during the summer months it has been ascertained by experiments that even when 15 or 16 inches of rain falls, not a drop will find its way into three feet of soil, and, at the most, not more than one or two inches; whereas, during the winter months, a large amount percolates. There is a very considerable variation in the body of waters in the streams, and it has been always forgotten or left out of sight that in regarding the amount of water on which a water company or a miller, or anyone interested in the stream, may depend it is not represented by the average; it is represented by the minimum amount which percolates into the soil. So that, if the average percolation is about 10 inches during certain years when only a small amount of water falls during the winter months, that quantity is reduced to something like three or four inches, so that though an average might be 10 inches, a minimum would not be more than four or five, and it is in consequence of every now and again those minima occurring that the calculations formed on an average are so entirely erroneous.

Mr. *Bidder.*] I have no right to intervene as another opponent; but as I represent the New River Company, I must point out to Sir John Evans he is rather treading upon our toes now. But, perhaps it will be quite sufficient if he tells us if this theory he is enunciating is the theory referred to by the Royal Commission in paragraph 126, because I think this is a repetition of the evidence which was given before the Royal Commission. Is that so, Sir John?

Chairman.] We do not want to go further into a controversy with the Royal Commissioners than we can help.

Lord *Robert Cecil.*] No, sir, I certainly should not carry you an inch further than we can possibly help. We feel the Royal Commission is a difficulty in our way, but we are anxious to lay this matter before the Committee, because we feel our case was never properly heard before the Royal Commission.

Chairman.] That may be; but we have decided against the promoters of this Bill, that we will not go into that question, and we will not allow you to do so either.

Mr. *Bidder.*] This is the same theory as is dealt with in paragraph 126 of the Report of the Royal Commission.

Lord *Robert Cecil.*] I am anxious to conform to whatever the Committee think right.

Chairman.] If you get the witness to give general evidence in support of your contention, it will be enough; but we do not want to make this Committee a tribunal to review the findings of the Royal Commission at all.

Lord *Robert Cecil.*

3785. No; but I should be anxious, if possible, to give you evidence of the actual state of affairs in Hertfordshire, if you think that is not going too far. We will not go into the theoretical question at all. (*To the Witness.*) That, I think, will materially shorten your labour, Sir John. Can you tell, from what you have heard in your position as a member of the County Council of Hertfordshire, what has been the actual effect of pumping upon watercress beds, streams, and so on, in the County of Hertford?—I would rather give my experience as chairman of the governing body of Berkhampstead School. We have there certain meadows through which watercress beds have been made, and for one or two years within the last five or six years we have had to make very considerable reductions in the rent in consequence of those watercress beds being dry, and at the periods when those watercress beds were dry, a pumping station belonging to the Grand Junction Company about three-quarters of a mile or a mile higher up the valley was at work, which actually intercepted the water which would otherwise have found its way into the stream, diverted it into the canal, and laid those watercress beds dry. That is the general result.

3786. Of course, I am anxious to confine myself within the ruling of the Committee, but, perhaps, I may go as far as this. Assuming that this water of natural right does belong to the inhabitants of Hertfordshire before the inhabitants of London, is there any provision at all for any compensation for damage which may be done to Hertfordshire by excessive pumping for the benefit of London?—Not to my knowledge.

3787. It would, of course, be extremely difficult to estimate such compensation in money?—Absolutely.

3788. Therefore, do you suggest that the only way in which it can really be dealt with is by putting a limit on the amount of water which should be pumped from Hertfordshire in the future?—That is my view, and that is one of our objects in appearing here to-day.

3789. So that, apart from your general objections, which I will touch upon again in a minute, to London having jurisdiction in Hertfordshire, do you say that before any Bill is passed giving London the right to pump in Hertfordshire, there ought to be a general Act putting a limit on the amount drawn from Hertfordshire?—Certainly; I was going to mention one fact which has nothing whatever to do with the Report of the Water Commission, that is, that in the neighbourhood of Rickmansworth, a private individual buys a small area of land, I believe not much more than a quarter of an acre, situated just above the junction of two streams, and in that he fixes a pumping station, and advertises that he is prepared to sell, I forget how many million gallons of water daily that he pumps from that spot, not one drop of which belongs to him beyond what he might require for his own purposes on the spot.

Cross-examined by Mr. *Worsley Taylor.*

3790. As I understand you, and as I think you stated at the recent conference, distinctly you were of opinion there ought to be a better water supply for the metropolis than there now is?—I perfectly agree with that.

Mr. *Worsley Taylor*—continued.

3791. You have had serious reason to complain in your own district, I think?—In what respect?

3792. However, I will not pursue that. I am quite content with what you have said already. In your view, if I follow you, it is not sufficient to look to existing sources; you must go outside?—That is my view, distinctly.

3793. At present, if I follow you, in your view there is pumping going on to a greater extent than is wise in the interests of your county?—I am of that opinion.

3794. And even if the companies were left as they are, there ought to be a limit put upon their pumping powers?—I quite agree with you.

3795. That means legislation?—It means legislation, I believe.

3796. At the instance of somebody?—At the instance of somebody.

3797. I suppose you have no objection to London having its own water supply if it likes?—It does not affect us at all so long as we are free from any interference by London with our supplies.

3798. Then you are not against purchase, provided you are safeguarded?—Provided we are safeguarded, I do not see that it is any business of ours what may be done in Middlesex and London.

3799. And, as I understand you, the circumstances of the companies which affect you, the New River and the East London, in their relations to your county are very special indeed?—They are, inasmuch as the principal amount of the water which they derive is taken from Hertfordshire, and sold by them in London.

3800. So that they ought to be considered on their own merits, quite apart, for instance, in questions affecting the Lambeth and Southwark and Vauxhall Companies?—Our feeling was, I think this, that all the Bills should be treated together, but after the decision of the Council those were the only two Bills against which we petitioned.

3801. Which Bills?—We only petitioned against the Bills relating to the East London and the New River Company, until we found that, in order to have a *locus standi* here, we had to petition against the Lambeth and Southwark and Vauxhall.

3802. You mean as against the Lambeth and Southwark and Vauxhall, it would be quite clear that if the decision on those Bills did not affect any decisions on the East London and New River Bills, you would not have been concerned?—Exactly.

3803. When those two Bills come on, you want your position considered without prejudice to anything which has gone before?—We wanted it to be so; but now, as we have the opportunity of stating our views, we do not want to incur the enormous expense to a small county of appearing before the Committee.

Mr. *Worsley Taylor*—continued.

3804. And having safeguarded your position, as far as these two particular Bills are concerned, you have no further concern?—Quite so.

(The Witness withdrew.)

Lord *Robert Cecil.*] If the Committee will give me one moment to consider how much of the proofs of my witnesses is available after the decision you have just given I should be glad. It will very materially shorten the case I shall present to you, but there are one or two points which I should like to prove.

Mr. JOHN HOPKINSON, sworn; and Examined.

Lord *Robert Cecil.*

3805. YOU are a Fellow of the Geological Society and a Fellow of the Royal Meteorological Society?—Yes.

3806–7. A great deal of what you were going to say to the Committee did deal, I think, with the opinion which you share with Sir John Evans, that the conclusions of the Royal Commission were not sound in all respects?—That is so.

3808. We will not go into that, but there is one fact that you are anxious to bring to the notice of the Committee with reference to the notice given by the East London Company in September 1894, I think?—Yes.

3809. Will you explain what the notice was?—The East London Waterworks Company gave notice that in consequence of the diminution of the water of the Lea——

Mr. *Bidder.*] My learned friend, I submit, is going far beyond the purview of this Bill. This is not a question between Hertfordshire and the East London Company. I do not know what this gentleman is going to say, but one petitioner cannot be heard against another.

Chairman.] I do not know what Mr. Hopkinson is going to say at present, but we will just listen.

Witness.] Simply that the East London Company had to give notice of a diminution of their supply on account of their not being able to get a sufficient supply.

Chairman.] How do you apply that to your present contention, Lord Robert?

Lord *Robert Cecil.*] That must have been due to a depletion of the chalk water, because the rainfall was normal.

Chairman.] I do not see how that bears upon or supports your opposition to this Bill, which is now before us.

Lord *Robert Cecil.*] It supports it in this way: If we can show that in point of fact there is depletion actually going on, and that we have already suffered, we make a strong case not to be put into a position in which we should suffer more severely still.

Chairman.] Yes, as far as that goes, but you must not get into some side controversy with the company.

Lord *Robert Cecil.*] Of course it is difficult. I do not know at all what the Lambeth and Southwark and Vauxhall Companies say about these things; it has nothing to do with Hertfordshire, of course.

Chairman.] But you are appearing in opposition to the present Bill which is for the purchase of these companies, and as I understand the contention which you are now supporting by evidence is, that if the undertakings are passed over to the London County Council, you will have more difficulty in asserting your own rights as against that London County Council than you would against the existing company.

Lord *Robert Cecil.*] And rather more than that, sir, that the London County Council will be bound by their declarations to take more water from the chalk than the companies do, that is to say, they will be bound to substitute chalk water for stream water, and therefore we shall be in a worse position so far as the depletion of the chalk water is concerned.

Chairman.] Yes. Then what is Mr. Hopkinson going to show in support of that?

Lord *Robert Cecil.*] He is going to show that there was a notice by the East London Water Company that they were unable from some reason or other to supply their full quantity of water.

Chairman.] That is fair.

Lord *Robert Cecil.*] Then he is going to show that that could not have been due to the ordinary natural variation of rainfall, because in that year the rainfall was by no means less than usual.

Witness.] Considerably more.

Chairman.] I think if the witness states that in general terms you need not go into particulars.

Mr. *Bidder.*] I should like to point out this: My learned friend is going to make an allegation against one of the companies with regard to the supply of water and the reasons for it, and to draw deductions as to the effect of their pumping. Now it is quite obvious, whether he is right or wrong, the companies have their own views on that, and if the evidence is to be heard on one side it will have to be heard on the other.

Chairman.] That may be, but I cannot stop this evidence in general terms; your deduction from that may arise by-and-bye, but I do not see how I can interfere now.

Witness.] May I state in general terms the point. The point is this, that there was evidently from this action of the East London Water Company, and I need not go into the question further, but I think we have witnesses who will be able to state that the case has occurred in other instances, there was a diminution in the water from the chalk area in our county; there was a want of water, but my point is that that was not due to a deficiency of rainfall. We have already heard that the percolation is due almost entirely to the rain which falls in the winter months from the end of September to the end of March; I take

take those six months. In the winter of 1893–1894 in those six months the actual average rainfall taken at 10 stations evenly distributed over the county of Hertfordshire was 14·59 inches. Taking the average rainfall for 50 years as 100, that amount represents 111. Therefore for that winter we had 11 per cent. more rain than the average rainfalls for the past 50 years. Presuming that we ought not to rely on one year only, but that we ought to take the ratio of three winters; the ratio of three winters from the 1st October 1891 to 31st March 1894 was 112 per cent., being 12 per cent. rainfall more than the average. Notwithstanding that excess of rainfall there was a difficulty in obtaining water from the chalk, and our streams were running dry.

Lord *Robert Cecil.*] That is all I propose to ask.

Mr. *Pember.*] The only thing I venture to say is that, appearing as I do for the East London Water Company, of course I have no right to cross-examine this witness by the forms of the House, and I must say I think it is a little hard, and questionable too, as a matter of practice and procedure, especially after the line this discussion has taken, for a witness to come suddenly into the box and make an attack on one special company on a perfectly collateral issue, and also to go behind findings of the Royal Commission in this very matter.

Chairman.

3810. I will ask the witness then this question. (To the *Witness.*) Is it a fact that the Report of the Royal Commission or the evidence which was tendered there, I am not speaking of my own knowledge, but I ask you as a question, was it consistent altogether with the view you have stated now?—It is not consistent with the view of the Royal Commission that a considerably greater amount of water can be taken from the Valley of the Lea, but I may point out this —

Mr. *Pember.*] On that answer I have another remark. The witness has admitted what I knew to be the fact, and that is, he is now asking you to hear him in opposition to the conclusions of the Royal Commission.

Chairman.] I have already told Lord Robert Cecil we could not allow that line to be gone into, and with this witness we have only gone to the extent you have heard, and I do not propose to go further. I have elicited, as you wished, that the statement of Mr. Hopkinson, very valuable in itself, is not consistent with the finding of the Royal Commission. That being so, I think you may safely leave it there for the present.

Witness.] May I point out that at the time the Royal Commission sat, there was a slight deficiency in the rainfall, and therefore this evidence could not be brought forward.

Cross-examined by Mr. *Worsley Taylor.*

3811. I have only one question to ask you, if my learned friends have adjusted their differences. As I understand you, there are certain very special circumstances which affect the pumping powers of the New River Company, is that it?—I have not alluded to any special circumstances.

Mr. *Worsley Taylor*—continued.

3812. There are certain circumstances, are there not, affecting the pumping powers of the New River Company?

Mr. *Pope.*] I thought it was the East London he was asked about?

Mr. *Worsley Taylor.*

3813. (To the *Witness.*) Is that so?—That is not a point on which I am prepared to give any evidence.

Mr. *Pember.*] My learned friend must take his answer.

Mr. *Worsley Taylor.*

3814. (To the *Witness.*) You have been referring to pumping?—Yes, I have been referring to pumping.

3815. By whom?—The water companies.

3816. What water companies?—The water companies generally. I have not referred to any special water company, except that the action of the East London Company was brought to my notice.

3817. Then it is the action of the East London?—I have not referred to it except in that respect.

3818. Is that the one you had in your mind?—Yes.

Mr. *Pember.*] I am told my learned friend pursued exactly this course with regard to the last witness. I wish I had been here, as if I had been, I should have taken an objection.

Lord *Robert Cecil.*] Under the circumstances, sir, I do not know at all whether I should be justified in putting in any further witnesses after your ruling. We are very anxious indeed to present to this Committee, if the Committee will hear us, the case of the very serious grievance which unquestionably exists in Hertfordshire from the pumping of the water.

Chairman.] I do not think you are justified in doing that upon the Bill of the Lambeth Company. So far as it is a ground of general objection in protection of your rights when the time comes I think you have laid your case before the Committee, and if you want to call any further evidence within the limits that I have suggested to you, we are quite willing to hear it, but we are not willing to go into a controversy which will re-open the whole question which was tried before the Royal Commission.

Lord *Robert Cecil.*] Perhaps you will forgive my saying this, sir. Of course, if you say you would rather hear this evidence on the New River and East London Bills, we bow to your decision.

Chairman.] That may or may not be so, but at present we are rather dealing with the general question.

Lord *Robert Cecil.*] What we feel about it is this, that supposing the Committee should at any time decide that the case of Hertfordshire should be heard before the Committee decide on any general change in the supply of water to London, if that is to be heard at any time this is the proper

proper time. If we are to make any Preamble objection to any of the Bills, we must make that Preamble objection now.

Mr. *Worsley Taylor.*] Why?

Lord *Robert Cecil.*] Because if we do not, and we afterwards come, on the New River Bill, for instance, and make this objection, and the Committee are of opinion that the objection is well founded, and is so serious an objection that they would be disposed to declare the Preamble not proved, the Committee would be in this position; either they would be bound not to give effect to that decision, which would be an injustice to Hertfordshire on the assumption I made, or they would give effect to that decision, and in that case would destroy the general scheme of the purchase of the whole of the eight water companies.

Chairman.] I see that, and that is the reason why we agreed to go into the evidence as far as we have gone, and if you tell me how much further you propose to go with this witness——

Lord *Robert Cecil.*] I am not going to ask this witness another question, sir. I have another witness, a Member of this House, in the room, and I have also the surveyor of the county of Hertfordshire. They would prove this. The honourable Member would prove that a great diminution of the water supply in the streams in his neighbourhood has taken place within the last few years, and he attributes that, rightly or wrongly, to the pumping of the water companies. The surveyor would prove more generally the same kind of thing.

(The Witness withdrew.)

Chairman.] But would not that rather be a question (assuming for the sake of argument that we were to declare the Preamble of this Bill proved) of argument when you came to settle how the relations of the various outside authorities were to be dealt with in the clauses of the Bill.

Lord *Robert Cecil.*] With great respect, sir, I think not. I do not see how we could ask the Committee to sanction a purchase by the London County Council upon the footing that they were purchasing the whole (of course this is much more a matter for the London County Council than for us), but it seems to me there would be grave objections to sanctioning a purchase by the London County Council of the existing powers of the whole of the water companies, and afterwards coming and saying that though they have purchased the whole of the water companies' powers they are only to exercise a portion of them.

Chairman.] As I understand, that is an argument which has been put forward in various forms, and we have not at all precluded you going into it, if you think fit in going through the Bill, that is as to what the relations of the County Council and the various outside authorities are to be. The County Council have settled with Surrey, as I understand, what their relations are to be, but that does not, I think, shut out any other county council raising such objections in the course of the Bill as they think fit. The only thing is, I think, it would be going rather far at the present stage to allow one area affected to go into the whole of that case.

Lord *Robert Cecil.*] Of course I am in the hands of the Committee entirely, but I do feel, and I have felt all along, that there is a great difficulty which is not of our seeking, but which arises from the way in which this case has been submitted to the Committee. Of course, if the London County Council in the exercise of their discretion had thought fit to present this case, as a whole, for the purchase of the eight companies, whatever form they had given to their Bill, unquestionably we should have been entitled, on the Preamble of such a Bill as I suggest, to have gone into any question which would have affected the case of any company, and I do submit (and I am afraid I am, to some extent, repeating myself) that we shall be most seriously prejudiced unless we are allowed to go into all Preamble objections to all the Bills on this Bill, because when we come to deal with the special Bill affecting us more particularly, we shall be met with this difficulty: either our Preamble objection is to be overruled, contrary to the justice of the case, or else the Council must abandon the scheme for the purchase of the whole eight water companies.

Chairman.] I feel that embarrassment too, and I think it is inherent in the way in which these Bills are brought forward, as parts of a large scheme, but I think the most convenient and common-sense way of meeting it is that which the Committee have pursued up to the present time; and whilst I do not wish to check you at all in putting forward any general evidence of the kind you suggest, I only wish to protest against your going into a detailed re-opening of the finding of the Royal Commission. I mean to say if the Committee should be of opinion that, speaking generally, you had established by general evidence a case which should prevent them declaring the Preamble proved, then perhaps we might have to call on the promoters to say something further, because one result of the way in which the case has been presented to us is, that we have been driven into taking the course which we did at an early stage of the proceedings, which of course you will remember. But if you will tell me how far you want to go into this evidence now, we will endeavour to meet you.

Lord *Robert Cecil.*] If we were unfettered altogether in our discretion we should be anxious to submit to the Committee what we regard as a strong case, partly as proved already, but remaining to be proved by the surveyor of the county, dealing with the actual effect of the pumping of the water companies as existing, and the fear we deduce from that actual effect of what may be the consequence of the pumping by the London County Council if they replace the water companies.

Chairman.] But surely that would be rather some reason for putting provisions in your Bill when it comes, to prevent that being carried too far. I mean to say if you have a case different from the county of Surrey, where the Lambeth and Southwark and Vauxhall Companies are, then

then I do not see how you will be precluded from raising that part of your case when this Committee, or whatever Committee it may be, deals with one matter.

Lord *Robert Cecil.*] The only way in which we should be precluded would be that it would be in my judgment a preamble objection.

Chairman.] No; the view I take is this, and I think the Committee agree with me generally, that you have given enough evidence now to suggest the argument that if the present state of affairs be injurious to you *à fortiori* it will be more injurious when you have a powerful body against whom it will be more difficult for you to contend. I think we have let you give enough evidence to raise that, and that is, as it seems to me, the preamble objection.

Lord *Robert Cecil.*] That is undoubtedly a preamble objection.

Chairman.] Then I think you have given the Committee sufficient evidence to show that from your point of view there is some degree of extra strain which may be put upon the water sources of your district.

Lord *Robert Cecil.*] That is what we say, sir.

Chairman.] And that you apprehend it will be worse if the County Council should take the place of the water companies.

Lord *Robert Cecil.*] It would be worse in a double way, that they would want more water and they would be more difficult to oppose.

Chairman.] Then you have put forward a certain amount of evidence; there has been no serious cross-examination upon it by the promoters of the Bill, and if you like to accumulate some more evidence of that kind we have no objection.

Lord *Robert Cecil.*] If you tell me, sir, that you invite us not to give any more evidence on that point——

Chairman.] No, I do not indeed, certainly not; give as much as you think fit; but I do not think it is necessary in order to found your argument for whatever it is worth. It is really only to say: "If I complain that I suffer at present from a certain depletion of my wells, I anticipate it will be worse."

Lord *Robert Cecil.*] Certainly, but it very much depends upon how far my complaint of suffering is well founded.

Chairman.] Yes.

Lord *Robert Cecil.*] And that is, of course, a matter of evidence?

Chairman.] Yes; but even supposing there was some suffering at present of the kind you claim to suffer from; by-the-bye you have not exactly expounded in what way this more formidable body is going to be more difficult to deal with; but assuming that, it does not follow that we should accept that as an argument against the Preamble of the Bill.

Lord *Robert Cecil.*] Certainly not, sir, but I apprehend if I could show, apart from the objection you have indicated as to the Royal Commission, that we are suffering under a very serious grievance already, that would be a ground.

Chairman.] As I say, you have given some evidence to that effect, and I do not object to your calling as many more witnesses as you please upon that point.

Mr. *Pember.*] May I venture to say this, as representing some of the companies. There need be no further contest at all as between Lord Robert and myself. We do not in the least degree object to hear Lord Robert say, "whatever may be the effect of the pumping upon us now, we look with great apprehension on the transfer of these undertakings to a body like the London County Council, which has as loudly and forcibly as it possibly can do, before the Royal Commission and elsewhere, announced its detestation of the Thames and the Lea River waters, and its determination to get rid of them as soon as it can. We therefore fear very much (speaking as Lord Robert would speak), and we look with great apprehension on these undertakings passing into the hands of a body who would double or treble the amount of pumped water." I do not mind that at all, but what I do seriously object to is this: Lord Robert giving evidence as to the conduct of the water companies and the result of their pumping, which might have the effect of casting a slur, as it were, on their title to pump within their present Parliamentary powers from the chalk.

Chairman.] I do not think that is quite fair on this issue at present, because this Committee is certainly not going into the question as to whether some action, legislative or otherwise, should be taken as to the dealings of the present companies with their present clients. That we will not go into.

Mr. *Pember.*] Quite so; that is exactly what we feel, and that is the line we take. Let Lord Robert express as much fear as he likes of a transfer to the London County Council, but do not let him do anything to throw a slur on the finding of the Royal Commission, so far as it affects the powers of the present companies.

Lord *Robert Cecil.*] I have had an opportunity of consulting my clients, and I feel (they knowing even better than I do what is going to be said) it would not be respectful to the Committee, after the expression of opinion they have given, to carry the case, as far as existing depletion is concerned, any further than we have carried it. We should, of course, but for that decision, have been very anxious to put before the Committee the full case of Hertfordshire, but no doubt it would have taken some considerable time, and it would unquestionably have given an ample right to the water companies to be heard, to show that they do not, in fact, pump too much water from Hertfordshire. We cannot disguise that from ourselves.

Chairman.] Yes; but quite apart from the question of time, I think it would have been hardly a convenient course, with the view of supporting what is after all an argument easily understood, that your county would be put in some greater danger of an evil which it says it complains of at the present time. I really do not

not think that if you were to give all your evidence, and it were met by evidence on the other side, this Committee would probably be able to form a very conclusive opinion on the issue which you would have raised, but we can, of course, form an opinion, and we will certainly consider the argument which you have put forward, which is, that be the pressure upon your water supply what it may, you consider the London County Council would have temptations, in pursuit of its own policy, to put a still greater pressure upon your supplies; and if it were to do so, you would find it more difficult to combat the London County Council than you would the companies.

Lord *Robert Cecil.*] That is the argument. Perhaps I may be permitted to add this one word, that, rightly or wrongly, there is a very strong feeling in the county of Hertford itself, that they are already suffering.

Chairman.] If you like to call any evidence as to that feeling, the Committee will hear it, but we do not want to go into the engineering question.

Lord *Robert Cecil.*] Then I will call Mr. Hudson.

Mr. *Worsley Taylor.*] Would you allow me, sir, to say one word in reference to a question which I put just now, in justice to myself? When I put a question as to the circumstances, I did not desire for one moment to go into the special circumstances relating to other Bills. On the contrary, the case we have been putting throughout to-day is that we are not concerned with the details of the other Bills. All I desired to get from the witness was that the circumstances which he had in his mind were those affecting other Bills which are not before the Committee, and then I wanted to put the question whether he had any circumstances in his mind affecting these two Bills.

Chairman.] Quite so.

Mr. G. B. Hudson, M.P., sworn; and Examined.

Lord *Robert Cecil.*

3819. You are Member for the Hitchin Division of Hertfordshire?—Yes.

3820. Are you acquainted with the feeling of your division and the county generally as to this water scheme?—Yes.

3821. Will you explain, rightly or wrongly, what the feeling of the inhabitants of Hertfordshire is with respect to the abstraction of water by pumping?—They think already a large quantity of water is being abstracted, and that in that portion of the county the water is running very short. There is, of course, a certain amount of feeling, and they think, and I think rightly, that the water has been taken from the deep wells and conveyed to London. To a certain extent, as I know well, property of various descriptions has decreased in value by the absence of water.

3822. The Committee do not wish us to go into the question of whether they are right or wrong in attributing that to the pumping, but, in fact, that is generally attributed throughout Hertfordshire to the pumping in these wells?—Yes, because in Hertfordshire we lie about 300 feet above London, and all our streams slant down to London at various points. On the New River Company and other companies they have deep wells which take away our water.

Mr. *Pember.*] I think we had better stop this on the threshold. There are two vices in this: one is that these questions were thoroughly discussed before the Royal Commission, who, in spite of all this evidence on this topic, came to the conclusion that a certain amount of water could be obtained from the chalk in excess of what is obtained now.

Chairman.] I think you have said enough already to counteract whatever poison there was in the last answer of the witness.

Mr. *Pember.*] There is another thing I want to point out. Nothing must be done or suggested with a view to altering the Bills.

Lord *Robert Cecil.*] We do not want to alter the Bills, we want to reject them; we do not think they are capable of alteration.

Chairman.] At the same time it is possible the Committee, I do not say they would, when we come to consider the results of the arguments——

Mr. *Pember.*] You would hardly do anything, I am sure, to reduce the value of the water companies' undertakings.

Chairman.] I am speaking in the event of the Bills being passed. Of course if the Bills are passed, there is an end of the water companies' undertakings.

Mr. *Pember.*] Not altogether, because you might put a clause in which might have the effect of derogating from the value of the undertakings when they come to be assessed before the arbitrator.

Lord *Robert Cecil.*

3823. (To the *Witness.*) Only one other question. What is the feeling, and what is your feeling as representing Hertfordshire, as to the advisability of giving the London County Council any jurisdiction, as a water authority, in Hertfordshire?—We are very much against it.

3824. Do you feel that there is no reason why it should be done, and that it might cause very great injury to the inhabitants of Hertfordshire?—Certainly. I do not know whether I might point out to the Committee that from my own personal observation, living on the banks of a branch of the Lea, I have kept pretty close observation for the last 30 or 40 years as to the amount of water springing up and running down the stream, and certainly during the last eight, 10, or 12 years there has been a great diminution in that water.

Mr. *Pember.*] That is transgressing.

Chairman.] You had better not go further.

Witness.] I can give a little more evidence upon that from practical experience.

Lord *Robert Cecil.*] I think that is as far as you can go.

Witness.] Also, I might say the lands and farms in the neighbourhood of streams have greatly depreciated in value.

Mr. *Worsley Taylor.*] I do not ask anything; I think we have raised our point sufficiently.

Lord *Robert Cecil.*] That is the case, I shall submit, sir, for Hertfordshire; and as I have already addressed the Committee at considerable length, I do not propose to add anything. There is one matter I should like to mention before I sit down, and that is with reference to the direction given by the Committee, that the London County Council should bring up their alternative Clause 6. It would, of course, be a very great convenience that a copy of that clause should be furnished to all the opponents (speaking for the outside districts) as early as possible; if possible on Monday, or whenever they have settled it. I do not know, sir, whether the Committee would give any direction with regard to that matter.

Chairman.] That is fair enough. I hardly imagine there will be any reluctance as soon as it is convenient to the promoters to let the opponents have the clause with which they will have to deal on Tuesday.

Mr. *Worsley Taylor.*] We have desired to hasten this matter as much as possible, and probably my learned friends have seen the intimation in the papers that a special meeting of the Council has been summoned to consider this matter on Monday, and as soon as possible, when the form of clause is decided on, we will produce it.

Lord *Robert Cecil.*] Perhaps you will say, sir, that my learned friends should let us have it on Monday night.

Chairman.] What I said was, as soon as you conveniently could after the London County Council have arrived at a decision. I am sure you will make no difficulty about it, Mr. Worsley Taylor.

Mr. *Worsley Taylor.*] Certainly not, sir; I have said we shall produce it at the earliest possible moment.

Mr. *Lewis Coward.*] On behalf of the Surrey County Council, now for whom I appear ——

Mr. *Bidder.*] What right have the Surrey County Council to say anything; they have agreed?

Lord *Robert Cecil.*] Before Mr. Coward says anything, I wish, formally, to object.

Mr. *Lewis Coward.*] On behalf of the Surrey County Council, I do not propose to take up, at this juncture, the time of the Committee by making a speech; I am simply going to put Mr. Halsey, the chairman of the Surrey County Council, into the box forthwith.

Lord *Robert Cecil.*] I object.

Mr. *Bidder.*] So do I; you have no right to do that.

Chairman.] I should like to know for what purpose? I thought the Surrey Council had been somewhat of a ghost all this time.

Mr. *Lewis Coward.*] I think not, sir. You will remember we have lodged a petition against this Bill; we are opponents to this Bill, as strong opponents against this Bill as the other county councils who have been represented here by my learned friends, Lord Robert Cecil and Mr. Richards, and we still oppose this Bill unless this agreement is scheduled to it. I do not know whether this agreement is going to be scheduled to the Bill, and, until it is, I am an opponent. Further, sir, you will remember this: that not only has this agreement been attacked seriatim by my learned friends, but also I might say the motives and the reasons that affected the Surrey County Council in coming to this agreement have been impugned. All I ask you to do is to allow me, which I submit I have a right to do at this stage, having lodged a petition against this Bill, and being an opponent of this Bill until the agreement is scheduled, to put the chairman in the chair, and ask you to hear his views. I submit I am entitled——

Mr. *Bidder.*] My learned friend is not entitled to do anything of the kind. My learned friend, Mr. Balfour Browne, opened to the Committee that the Surrey County Council had been agreed with. He handed in an agreement which had been come to, and which he intimated the London County Council were prepared to schedule to the Bill. That being done, there is an end of the Surrey County Council here; they are clearly not opponents, and they have no right to intervene in the proceedings in any way whatever. My attention is drawn to this, sir, that one of the recitals in that agreement is this: "And whereas the Surrey County Council (hereinafter called 'the Surrey Council') have presented petitions against the said Bills relating to the Lambeth Company and the Southwark Company, and it has been agreed between the London Council and the Surrey Council that the opposition of the Surrey Council to the said Bills should be withdrawn in consideration of the agreement hereinafter set forth." Then the agreement is set forth. After that it is impossible for the Surrey County Council to come and say they are opponents to this Bill. They have bound themselves, in consideration of that agreement, to withdraw. The London County Council has conceded the agreement, have opened it to the Committee, and intimated they will put it into the Bill; consequently, the Surrey County Council have no *locus standi* here at all.

Mr. *Lewis Coward.*] This agreement has been vehemently attacked, as the Committee are aware. This opposition has only been withdrawn to the extent that, if this agreement should become law, I am no longer a petitioner against this Bill.

Mr. *Bidder.*] That is not what is said.

Mr. *Lewis Coward.*] "Should be withdrawn in consideration of the agreement hereinafter set forth."

forth." This agreement is not yet confirmed by the Bill, and until it is——

Chairman.] But surely it has been confirmed by the County Council?

Mr. *Lewis Coward.*] Yes, but my learned friends still say it is not worth the paper it is written on. If it is not worth the paper it is written on, what does it matter to them? It matters to me only, and I venture to say until it is confirmed I have a right to be heard.

Mr. *Bidder.*] My learned friend does not notice that the consideration for the withdrawal by the Surrey County Council is not the confirmation of the agreement by Parliament, but the entering into the agreement by the London County Council, and the last clause of the agreement provides what shall happen if the agreement is not confirmed by Parliament. It is all provided for. "These heads, or the formal agreement, shall be scheduled to and confirmed by which ever of the said Bills shall first pass into law, and if and so far as the provisions of such agreement cannot be carried into effect under such Bill by the London Council and the Surrey Council, or either of them the said councils, shall respectively be at liberty to apply to Parliament at their own expense for such further powers as may be necessary for that purpose, and the other council shall at their own expense do all things which may be reasonably required of them in support of the application."

Chairman.] What I do not see at present is how you can call a witness in opposition to a Bill which you have agreed to, Mr. Coward?

Mr. *Lewis Coward.*] No, Sir, I have made an agreement which I say until it is confirmed by the Bill, and which all my friends say around me, is ultra vires. They say this agreement is ultra vires. That has been the burden of their song all through.

Chairman.] But surely that was not the principle you went upon when you entered into that agreement? You must stand on the view you take upon the ultra vires question when you entered into the agreement.

Mr. *Lewis Coward.*] Am I to be attacked by county council after county council, whose circumstances are utterly and entirely different to the circumstances affecting the Surrey County Council?

Chairman.] Should you not have thought of that before you practically withdrew your opposition by entering into the contract?

Mr. *Lewis Coward.*] No, Sir, I venture to think that is not so. I could not have stopped the evidence, or the comments made upon it, although you will remember a great deal of evidence has been given with reference to this agreement during which time I have sat silent. Now I say my turn has come to put before the Committee so that they should have the views of all the county councils before them——

Chairman.] But not as part of the case of the opposition to the Bill.

Mr. *Lewis Coward.*] Yes, because I am here opposing this Bill in toto. I desire to be rid of the London County Council unless I can carry into effect this agreement. I am opposed as strenuously as they are to this Bill, and the Chairman will tell you so.

Chairman.] At the present moment do you oppose it or support it?

Mr. *Lewis Coward.*] I oppose it until this agreement——

Chairman.] Are you going to call evidence against the Bill?

Mr. *Lewis Coward.*] I am going to call the chairman, who will tell you he is opposed to this Bill until he can have this agreement.

Mr. *Bidder.*] And the promoters have said he can have the agreement?

Mr. *Pember.*] I think, as a matter of procedure, the matter is quite plain.

Mr. *Lewis Coward.*] May I ask for whom my friend appears?

Mr. *Pember.*] For four water companies, and the Kent County Council, and it is perfectly clear my friend has no right to be heard now. If any body should come forward at a later stage and say they object to the agreement being scheduled, then he certainly would have a right to appear, but at the present time no one does object to it. The only thing which has been said about it is that it is a worthless agreement, and ought not to bind other people; but as a matter of fact if, as things stand between them and the County Council, they wished to see their chairman in the box, they should have called him during the progress of the case of the London County Council, because, practically, he is now a joint promoter of the Bill; that is when he ought to be called, and he may be called again if there comes a moment, which I do not suppose there ever will come, when anybody objects to the scheduling of the agreement. Then will my learned friend's time come, but his time has not come yet.

Mr. *Lewis Coward.*] Then I understand my friend to suggest the position that when the time does come for scheduling this agreement to the Bill I am entitled to be heard?

Mr. *Bidder.*] I think I ought to read to the Committee what Mr. Balfour Browne said in opening this Bill in the presence of my learned friend, and which has been acquiesced in by my learned friend for more than a month. My learned friend, Mr. Balfour Browne, when he came to this part of the case, said this: "There again we are at one with the Corporation of Croydon; there is no dispute, and practically the whole of that district of the Lambeth Water Company is covered by those three authorities, and we are asking that you should give us in our own administrative county the powers that we are willing to concede, and have conceded, under agreement to the County Council of Surrey; and I am glad to say that the County Council of Surrey will not oppose the passage of this Bill." That is at page 32 on the 15th May. That was said in the presence of my learned friend. It has been acquiesced in by him, and that was, in accordance with the agreement, what he was bound to do.

Mr.

Mr. *Lewis Coward.*] I believe my appearance is quite an open appearance, and I would only say this one word in reply, which I am entitled to.

Mr. *Bidder.*] I have not finished yet. I point out that that agreement contains a recital that it was part of the agreement that the County Council should withdraw their opposition upon the consideration of obtaining that agreement sealed by the London County Council. The agreement was sealed by the London County Council, therefore they were bound to withdraw their opposition. My learned friend, Mr. Balfour Browne, accordingly opened in their presence that they did withdraw, and that they would not oppose the Bill. My learned friend's suggestion that he is not in a position of withdrawing his opposition until the agreement is confirmed, is negatived by the agreement itself, because the agreement itself provides for the matter if it should not be confirmed by Parliament, and if it were not, the utmost my friend can contend for, is that he is a petitioner against alteration, that is perfectly clear. I do not admit he is even in that position, but it is a perfectly recognised practice here that a petitioner against alteration, that is to say, some one interested who has been agreed with, has the right of sitting quiet and dignified in the room and saying nothing, until some one proposes to alter that which he has agreed to. That would be the utmost my learned friend could contend for, even if he had not bound himself to withdraw his petition.

Chairman.] What clause of your petition do you propose to examine the witness upon?

Mr. *Lewis Coward.*] I propose to examine Mr. Halsey in opposition to the Bill in accordance with the petition the Surrey County Council have presented, and examine him also on the agreement which has been come to and in reference to the attack which has been made upon that agreement by my learned friends, and to point out that it is not a fair and just attack, and also to point out that the circumstances may be different in Surrey to what they are in other counties. My learned friend, Mr. Pember, in the objection he took, conceded my position. He says, I should be entitled to be heard upon this if the Preamble of the Bill was passed.

Mr. *Bidder.*] No, he did not say that.

Mr. *Lewis Coward.*] I understood him to say so; and I would point out this: that it is a novel matter for a petitioner to object to a co-petitioner being heard; they have no right to object to my being heard, the only persons who can object are the promoters. My petition here is in order. I have been in attendance here, my appearance is entered to-day, and I venture to submit that I am entitled to be heard. Then my learned friend says that Mr. Balfour Browne has put me out of Court; I am not bound by what my learned friend, Mr. Balfour Browne, said, and what he said he said about a month ago, as my learned friend points out; and since that time all the Committee know the position in which the Surrey County Council stand, and how the agreement has been standing. I venture to think that this is the proper time when you should have before you the case of all the County Councils, and certainly last, but by no means least, the case of the Surrey County Council.

Chairman.] It is a long time since I have sat in the Chair of one of these Committees, and I am not very familiar with the practice on this point, but I will consider before Tuesday and advise myself as well as I can on the subject, and if the Committee comes to the conclusion that you have a right to be heard we shall be glad to hear you.

Mr. *Lewis Coward.*] I am not going to make a speech; I was only going to put a witness into the chair.

[Adjourned to Tuesday next, at Twelve o'clock.

Tuesday, 25th June 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. *Balfour Browne.*] I promised, sir, I daresay you will remember, at the end of the proceedings on Thursday, to do the best I could to get the County Council to consider the matter of the alternative clause before your meeting to-day. It was not easily done, because the Council had not absolutely fixed upon a clause, but the clause was delivered immediately after your meeting, and had to be submitted to the members of the County Council. A special meeting was called yesterday, at which the clause was considered, and I daresay it has been discussed by my learned friends, as I see long stories before them; but a clause was discussed as submitted to the Council, and I put it before you. I do not for a moment propose to discuss the clause, because we are not on clauses. I understood the decision of the Committee was that when Clause 6 came to be discussed it would be open to my friends to propose amendments, and therefore I do not now propose to discuss the clause, but I only say that I believe it thoroughly carries out the decision of the Committee, and I hand it in.

Mr. *Pember.*] My learned friend treats this as a matter of clause. I only rise to say that it is matter of preamble. You will recollect, sir, the particular form the Preamble takes on page 4, and says that the transfer is to take place on the terms and conditions contained in the Bill; therefore this clause becomes a part of the Preamble, as the old Clause 6 was. It was distinctly a part of the Preamble as it originally stood. Therefore there is simply a change in words from Clause 6 to this clause, and therefore as part of the Preamble I should claim to treat it.

Mr. *Balfour Browne.*] I am not going to preclude my friend from discussing it as part of the Preamble at all, but I do not propose to discuss it at this moment. You will remember, sir, I closed my case on Preamble. I may have at some future time, when the wording of this clause comes up, to open the case again on that clause, but in the meantime I put it in as a substitute for the remainder of Clause 6. I do not know whether you have a copy of the clause, but it will be handed to you.

The *Chairman.*] I think it is only necessary for me to say at present, on behalf of the Committee, that we are glad the County Council have been able to meet our request of having this clause prepared for our meeting this day, and of course I am not expressing the least opinion upon it, as I have not had an opportunity of studying it. It will be a very important question, no doubt, which the Committee will have to consider when they have it before them. I do not at the present moment express in the least an opinion as to whether it does or does not carry out the decision arrived at by the Committee, for I have not had an opportunity of considering it. As regards the question of preamble, counsel on both sides will remember that we reserved to ourselves the decision as to whether we would, in any shape or form, postpone the Preamble with the view to having this matter of Clause 6 discussed or not, and when the case for the petitioners for the Bill is closed, we shall have to take that into our consideration.

When last we separated the point we had arrived at was an application made by the counsel for the County Council of Surrey, to be heard at that stage of the proceedings for certain purposes or certain explanations which he desired to make. I had to confess that I was not sufficiently well informed of the procedure of Committees on such a point to be able to decide the matter offhand. Since our last meeting I have had the advantage of the advice of the authorities on the subject, and I am informed that no doubt the counsel for the county of Surrey, having been here through all these proceedings, and gone through the necessary forms in order to keep themselves before the Committee, is entitled to be heard at this stage if he thinks fit on his petition, but that he must confine himself strictly to the terms and objects of that petition, and, so far as he has since changed his ground by entering into an agreement with the promoters of this Bill, we cannot hear him on any matters touching that agreement. Therefore, if he has anything to put forward in the sense of a petitioner against the Bill, and following the lines of his petition, we will hear him, but we must strictly confine him to that course.

Mr. *Pope.*] I am sure you will forgive me if I cannot make myself very well heard; I will do what I can, and my learned friend, probably, in the event of the Committee acceding to the view we

we take in this matter, would supplement what I have to say. It is entirely for the Committee to decide whether they would proceed, as my learned friend now suggests, to deal with this new clause as though it were Clause 6, and a clause discussed, or a preamble discussed, so far as embodied in the Preamble, but what we would suggest would be that the Committee should first of all consider whether in truth this clause which is brought up by the promoters does carry out, or is in harmony with, the intimations which the Committee have already given. Our view is that it is directly contrary to that intimation. I cannot, as an opponent, of course, say at what period the Committee would discuss that, but it does seem to us that the first question to be decided by the Committee is this, whether the promoters have so far acquiesced in the intimation of the Committee by this clause as to entitle them to go on with the discussion of it at all. We think not, and we should invite the Committee to discuss, at all events to look at this clause, to see whether in truth it does not go behind the intimation of the Committee, and in the teeth of it, in fact, and raises over again practically the question which the Committee has already intimated has been decided according to their conclusion. I am afraid my learned friend, Mr. Bidder, who is with me, must explain, if necessary, more as to the point, because I find myself in a position which makes it a little difficult for me to speak at all.

Chairman.] Very well; I think it is better first to conclude the matters that we were discussing on the last day before we turn our attention to this clause.

Mr. *Pope.*] Quite so; I only intervene because I am anxious it should not be said that we allowed the Committee to slip into a course of procedure which we might have prevented if we had intervened at all.

Mr. *Lewis Coward.*] I will now call Mr. Halsey.

Mr. Edward Joseph Halsey, sworn; and Examined, as follows:

Mr. *Lewis Coward.*

3825. You are a Justice of the Peace for the County of Surrey, and for London, and I believe you are chairman, an office which you have held now for three years, of the Surrey County Council?—Yes.

3826. I believe for some time past you have given much consideration to this water question?—I have.

3827. Were you invited to attend the conference of delegates on the 30th July 1894?—Yes, a conference of the delegates at the London County Council office.

3828. Had a preliminary conference been held at the County Hall, attended by representatives from the following bodies, namely, East Molesey, Kingston Corporation, Kingston Rural Sanitary Authority, the New Malden Local Board, the Richmond Corporation, the Surbiton Improvement Commissioners, and the Wimbledon Local Board?—Yes.

3829. All those being authorities in the county of Surrey?—Yes.

3830. And I believe that you and your then colleague, Mr. Youall, who has since died, were deputed by the Parliamentary Committee of the Council to attend at it?—By the Council itself.

3831. At that conference was the following resolution unanimously passed:—"It is inexpedient that the water supply of Surrey should be under the control of the London County Council, and it is the opinion of this meeting that the representatives of the Surrey County Council should be authorised at the forthcoming conference to urge that the waterworks, the mains, the filter beds, and the means of water supply, supplying water to areas within the administrative county of Surrey, should be acquired by the Surrey County Council in trust for the areas interested, and generally, that the conduct of the matter be left to the discretion of Mr. Youall and Mr. Halsey, as representatives of the Council."

Lord *Robert Cecil.*] I should like to know in what respect that resolution bears on any clause in my learned friend's petition.

Mr. *Lewis Coward.*] I am only giving the history of how these gentlemen came to act in the matter. I shall not go at all outside the Committee's ruling with reference to the agreement.

Chairman.] As I understand, this meeting was held before the petition was presented.

Mr. *Lewis Coward.*] Yes, sir.

Chairman.] The petition, I believe, was presented in February this year.

Mr. *Lewis Coward.*

3832. Yes, sir. (To the *Witness.*) I believe the conference of the 30th July was held, and were all the views of the Surrey authorities there strongly maintained?—They were.

3833. What was the clear declaration in reference to their views?—That the representatives of the Surrey County Council were not in any way antagonistic to the idea of municipal control of the water supply for London, but that they would be opposed to the utmost if they attempted to avoid Surrey having the complete and independent control of its own water supply. By water supply I mean not only the means of distribution and supply of water in bulk, but I also mean the absolute supply of water, commonly called "the sources of supply."

3834. That would be, of course, of so much of the undertaking of the works as might be required for the official supply of the outside districts?—Yes.

3835. I believe in that view you were in accord with the Middlesex County Council?—Yes, as expressed by the chairman of the Middlesex County Council at the conference.

3836. What, may I take it, is the desire of the Surrey County Council and the local authorities in this connection?—That unless we obtain what we demand, the Bill should be strenuously opposed.

Mr. *Lewis Coward*—continued.

3837. Was this view also again confirmed at a meeting of the County Council and the local authorities held on the 14th March 1895?—It was.

3838. At that meeting were there present the Corporation of Kingston, the Corporation of Richmond, the Urban District Council of Surbiton, the Urban District Council of Barnes, the Urban District Council of Ham, the Urban District Council of Wimbledon, the Rural District Council of Croydon, the Rural District Council of Epsom, the Parish Council of Mitcham; I see a familiar name, Mr. Bidder, as chairman; the Parish Council of Thames Ditton, and the Parish Council of Merton?—Yes.

3839. At that time, I believe, negotiations had commenced between you and the London County Council?—They had.

3840. Was a resolution passed at that meeting. Will you read it?—On the 14th March the following resolution was passed:—"This meeting approves of the policy of the Surrey County Council, as explained by their chairman, namely, that strenuous opposition be offered to the London County Council's Lambeth, and Southwark, and Vauxhall Transfer Bills unless the transfer to the Surrey County Council of the sources of supply, filter beds, mains, and other means of distribution necessary for the administrative county of Surrey be secured, and recommends the local authorities of the administrative county to support in Parliament the action of the County Council in furtherance of such policy."

3841. Do you consider that the agreement carries out that resolution?

Lord *Robert Cecil.*] That is surely not a proper question.

Chairman.] We cannot go into the agreement at all; we cannot have that question.

Mr. *Lewis Coward.*] I will put it in this way: if therefore the agreement which has been arrived at carries out those views ——

Chairman.] We have nothing now to do with the agreement that has been arrived at.

Mr. *Lewis Coward.*] Very well, sir, may I take it that there has been an agreement?

Chairman.] You have nothing to do with the agreement at all as far as your petition is concerned.

Mr. *Lewis Coward.*

3842. Very well, sir. (To the *Witness.*) I want to ask you one word with reference to the matter of Surrey having control of its own sources of supply. Do you think it is important that that should be so?—Most important, I consider; it is most vital for that area of Surrey.

3843. Is there much uncertainty now prevailing in the district?—A great deal of uncertainty, and a great deal of inconvenience.

3844. And with regard to the recurring expense of Parliamentary contests, do you wish to avoid that?—Most certainly.

Lord *Robert Cecil.*] This is entirely outside my learned friend's petition; it does not affect us very much, but there is nothing whatever about this in my learned friend's petition.

Chairman.] I think that is a fair general question though.

Mr. *Lewis Coward.*

3845. (To the *Witness.*) Is there any other reason you would like to urge in support of your view?—The main reasons which dictated the policy of the County Council in this matter are, first, that they resent, and would continue to resent, the authority of another county council within their county, which would result if these Bills were passed as they stand to-day; and another reason is, they can see no justification for what would possibly happen and probably would happen, namely, that the area of Surrey at present supplied by the two companies, the Lambeth, and Southwark and Vauxhall Companies, should hereafter be drawn in to bear any of the expense for procuring any further supply of water for the county of London.

Mr. *Lewis Coward.*] There has been a letter of the 20th May, sir, addressed to the Local Government Board, placed upon the Minutes of Evidence, and the reply of the Local Government Board. I believe on the 20th May ——

Lord *Robert Cecil.*] With great respect, this seems to me to be only another attempt of my learned friend to get the agreement somehow.

Chairman.] You cannot get into that line of explanation, I think, Mr. Coward.

Mr. *Lewis Coward.*] I was not going to read the whole letter. It was only with reference to the reasons stated by Mr. Halsey which actuated the Council in taking the steps they have done.

Chairman.] Is it as regards their agreement?

Mr. *Lewis Coward.*] Yes, sir.

Chairman.] Then you cannot ask that.

Mr. *Lewis Coward.*

3846. Then I will simply ask this one question. (To the *Witness.*) Does the Bill as it stands carry out the policy as expressed by the local authorities of the 14th March?—Certainly not.

3847. Therefore, to that extent, you oppose it?—Perhaps I may refer to our petition. Our petition says: "Part 6 of the Bill (Clauses 21 to 24) contains provisions as to the supply of water in those parts of the Lambeth Company's district which are outside the administrative county of London, and under these provisions the obligations, rights and powers of the Lambeth Company with respect to the provision and supply of water within all parts of such outside district are imposed upon and vested in the London Council subject to any such agreement as is provided for and authorised by Clause 23; but your petitioners contend that the provisions of that clause are illusory and do not afford them sufficient protection against the proposed transfer of a large part of the water supply of their district to a powerful body like the County Council, whose interests in many respects, and particularly as regards the sources of the water supply of the metropolis, and the means of making the same available, may be antagonistic to or at any rate inconsistent with those of your petitioners." I wish to lay distinct emphasis upon

Mr. *Lewis Coward*—continued.

upon our main point. The Bill already says you may have water in bulk if you like, or you may have it distributed by the London County Council as successors to the waterworks companies, but we say we are not content with that. We must have the absolute right to the water, the right to the pumping, the right to the reservoirs, and the right to the filter beds.

3848. And I see, in paragraph 9, you say this: "Under the Bill as it stands the London Council would be enabled, in the exercise of the powers of the Lambeth Company under their existing Acts, to abstract, take, and use for the supply of London and other places, water derived from the County of Surrey, and required by that county for its own purposes, and your petitioners allege that the powers of the London Council, in this respect, should be restricted"?—Yes, that is so.

Chairman.

3849. I hope you will understand, Mr. Halsey, that we should have been very glad to hear you, both for the personal assistance you might have given us, and on behalf of your Council, if it had been possible, at another stage, but it is owing to the way in which the matter has turned out here

Chairman—continued.

that we have been obliged to keep so tight a rein on your evidence?—Quite so, sir. Perhaps I might be allowed to say this much. I have no wish to trouble the Committee with anything about this agreement which has been talked about a good deal, but the only thing I do resent is, that this agreement has been attacked by neighbours, by local authorities with whom it has nothing whatever to do, and we are obliged to sit and listen to the attack and to hold our tongues.

Mr. *Balfour Browne.*] I have a right to cross-examine Mr. Halsey, but he is not an opponent I am afraid of, and therefore I do not propose to exercise that right.

(The Witness withdrew.)

Mr. *Lewis Coward.*] I do not propose to take up time by making a speech. That, sir, is the case for the Surrey County Council.

Chairman.] Then are there any further opponents of the Bill?

Mr. *Batten* is heard to address the Committee in support of the Petition of the Waltham Holy Cross Urban District Council in opposition to the Bill.

Dr. JAMES DANVER PRIEST, sworn; and Examined, as follows:

Mr. *Batten.*

3850. YOU are the Medical Officer of Health for Waltham Holy Cross?—I am.

3851. And you have been so for some years?—For 10 years.

3852. In 1888 the East London Water Company obtained powers in Parliament and sunk their deep wells within your area, did they not?—They did.

3853. What is the depth of those wells?—About 200 feet.

3854. Is there from those wells a very large supply of water daily pumped for the supply of the district immediately adjoining, and also further down the River Lea?—Yes, a very large supply.

3855. You have, I believe, an agreement with the East London Company for the supply of a large quantity of water free for the poorer inhabitants of your district, have you not?—Yes, we have.

3856. I think that agreement may as well go on the Notes.

Mr. *Balfour Browne.*] Is it worth while to have on the Notes of a Lambeth Bill an agreement with the East London Company?

Mr. *Batten.*] I have said, as far as the Lambeth Bill is concerned, we have not a word to say against it, except that it may be used as a precedent, and we do not want to come here and incur all the expense again, when the East London Bill comes on. If Clauses 23 and 24 are amended before this Committee, so as to fit all Bills, and give to urban authorities outside London freedom of supply of water, we do not want to come again.

Chairman.] With what object is this agreement to be put in?

Mr. *Batten.*] To show the present position of the urban authority of Waltham Cross, namely, that we have a large supply of water free, and we have also a very large supply at a very low rate of 4*d.*

Chairman.] Is that questioned on the other side?

Mr. *Balfour Browne.*] Not at all. I do not think we are really discussing the matter just now. I do not know what the agreement is between my learned friend's clients and the company, but I have no doubt if my learned friend states that, it is perfectly accurate.

Chairman.] I think there is no object in getting this agreement on the Notes if you state the fact.

Mr. *Batten.*

3857. Very well, sir. (To the *Witness.*) The water supply in your area pumped from the wells is exceptionally pure water, is it not?—Yes, it is exceedingly pure.

3858. At the present moment you are supplying, are you not, in a very large quantity, and at a very low price?—Yes, we have ample, and it is very cheap.

3859. What do you say to the idea of the water from your district being pumped into London for the supply of London and your having given to you back from London a supply of any other water?—I think it would be a great calamity to Waltham Holy Cross.

3860. Do you put it to the Committee that Waltham Holy Cross, as well as all other urban

Mr. *Batten*—continued.

authorities, ought to have its sources of supply kept reasonably for itself?—I do.

3861. In your opinion, is it necessary for the development of the unbuilt-upon lands in your district that there should be secured to the district an abundant supply of the pure water which is rising in the district?—Most certainly.

Cross-examined by Mr. *Balfour Browne.*

3862. The East London Company has a well which is within your district?—That is so.

3863. From that well it supplies your district at what you consider a cheap rate?—Yes.

3864. Are you also aware that it takes water from that well and supplies it to various other parts of its district?—Yes, I know other districts that it supplies.

3865. What you want to do is to keep that supply for yourselves?—We want to have our water uncontaminated.

Mr. *Balfour Browne*—continued.

3866. That does not bear on the question. There is no proposal in this Bill to contaminate your water, is there?—No, but there is a likelihood of it.

3867. We will discuss that when it comes. My learned friend, Mr. Batten, made an important observation which I want to ask you about. He said when the East London Company were pumping, the water fell 70 feet; where does the water fall 70 feet? He said it afterwards recovered itself?—It is under such great pressure that it rises almost to the surface, but after pumping fifteen hours the water in the well is lowered 70 feet.

3868. In the well?—Yes.

3869. And it takes time to get up again?—It takes five hours to rise to the surface.

3870. Is that all he meant by it?—I think that is all he meant.

The Witness withdrew.

Mr. WILLIAM BECK, sworn; and Examined, as follows:

Mr. *Batten.*

3871. YOU are Chairman of the District Council for Waltham Holy Cross?—Yes.

3872. Were you a member of the local board of the district for many years previous to the formation of the district council?—Yes.

3873. Do you know the pumping station and the wells at Holy Cross?—Yes.

3874. Is the water supplied from those wells of an exceptionally pure character?—Yes, I believe so.

3875. What do you say to giving the County Council of London the power to pump an unlimited supply of water from these wells, even to the extent of draining your district?—We object to it, and we feel that it is unreasonable to take the water away from our district simply to supply London, inasmuch as we want as much water as we can get, and as much water as can be supplied to us there.

3876. With regard to building operations in your district, is it important to you that every house which is built in your district should have a good and constant supply of water?—Yes, certainly.

3877. And if, under this Bill, you are allowed to purchase your pipes and mains, do you think you ought to be entitled to use the water in the district instead of being compelled to purchase water from the County Council?—We have not proposed to take the water simply for our parish or for our district. There are some surrounding districts, such as Loughton and Buckhurst Hill, and Woodford, all of which are supplied from our well, and we consider it is reasonable that they should also participate.

3878. Then do you think this Bill should be amended so that you would be able to group other urban authorities together for a better and cheaper supply of the water to the whole?—Yes, unless the Essex County Council are prepared to take over the whole of the Essex supply, in

Mr. *Batten*—continued.

which case we should be quite willing to co-operate with them.

3879. Then that would need special Parliamentary powers either in this Bill, or a subsequent Bill, to enable the County Council of Essex to take over and supply the whole of the urban authorities?—Certainly, I understand so.

3880. At any rate, do you submit to the Committee that it would be of great advantage to the district if the Essex County Council, or some similar body, could take over the whole of the system of distribution for several urban authorities, and, by utilising the water in your urban authority, supply the lot?—Yes, certainly. I may tell you that it is only within the last few years that mains have been laid through our parish from that well. That well has only recently been sunk, and we are taking steps, as the authority, to compel the owners of property, small owners especially, to lay on the water so that we do not consume so much water in our district at present as we shall in the future.

3881. But, in your opinion, is it important that you should have not only the mains, but that you should be able to use the water in your district for the supply of those in your district?—Certainly.

Cross-examined by Mr. *Balfour Browne*

3882. How many gallons a head do you give the people in your district now?—I cannot tell you.

3883. Have you looked at the agreement which has been come to between the County Council of London and the County Council of Surrey?—I have not.

3884. You would be perfectly content, would you not, if Essex took over the whole of the works

Mr. *Balfour Browne*—continued.

works in the county of Essex and supplied you? —Yes, if it was all taken over by the county of Essex, certainly.

3885. But you quite agree that either the county council of Essex, or some urban authority, should have the supply of water in its own district?—Certainly, but not take it second-hand from the London County Council, or what they had to leave.

Mr. *Balfour Browne.*] I hope you will get it first hand.

[The Witness withdrew.

Mr. *Batten.*] That is the case, sir, for the Waltham Holy Cross Urban District Council.

Mr. *Morton* is heard to address the Committee in support of the petition of the Corporation of West Ham in opposition to the Bill.

Chairman.] Are there any other opponents of the Bill? Do you desire, on behalf of the water companies, that the Committee should express some opinion upon the clause which has been submitted to them, Mr. Pope, before you begin your case?

Mr. *Pope.*] Not upon the merits of the clause, sir, *qua* merits, but upon the fact, which may be more or less of a demerit, that it in fact does not carry out, as my learned friend promised it would carry out, the intimations of the Committee. I do not think I should ask the Committee to discuss that clause at any length as regards the merits of the propositions it contains *qua* propositions, but what I do propose to ask the Committee to consider is this. My learned friend took his adjournment on the understanding that the alternative clause (to use the phrase we were then discussing) should be a clause which should embody the intimation of the Committee, and it was to be brought up with that view. We assert, and I should ask you to consider it, that it does not embody the intimations of the Committee, but, in point of fact, runs directly counter to them. If you think it right, acting as a Committee, to deal with the question at all, I will ask you to allow me to delegate my part in the discussion of that proposition only to my learned friend Mr. Bidder, who will point out really what the clause contains and what the intimation of the Committee really was.

Mr. *Balfour Browne.*] Are we going into discussion of the clauses?

Mr. *Pope.*] No, I said not.

Mr. *Balfour Browne.*] I understood Mr. Bidder was from what you said.

Mr. *Pope.*] I do not generally make myself so unintelligible as that you could really entertain that idea. There are no people so hard to make understand as those who will not understand.

Mr. *Balfour Browne.*] My learned friend says this clause does not really carry out the decision of the Committee. I assert most strongly that it does. I do not want to argue it at this juncture. The Committee know what their own decision was. I only refer you to the three pages upon which your decision is given.

Mr. *Bidder.*] Before you——

Mr. *Balfour Browne.*] I am not going to do anything; I am not going to read. I am only going to refer to the three pages on which the decision appears on the Notes. I will not even read them, but I invite the Committee to read them and compare them with the clause now brought up.

Chairman.] I am well acquainted with those pages.

Mr. *Balfour Browne.*] Then I will not even refer to any of them.

Mr. *Bidder.*] My learned friend Mr. Pope has asked me to draw your attention——

Mr. *Balfour Browne.*] Are you going to hear this, sir?

Chairman.] Are you going to argue, Mr. Bidder, whether this clause does carry out the intimations we gave or not?

Mr. *Bidder.*] I was going to do this, to show you first that the matter was adjourned by the Committee upon the express understanding expressed by Mr. Browne, that he would bring up a clause which carried out your decision. If you would not mind referring to what took place on the last occasion, on page 539, and see what fell from yourself, there can be no dispute about the matter.

Mr. *Balfour Browne.*] This is arguing the matter.

Mr. *Bidder.*] It is the best attempt I can make, Mr. Browne.

Mr. *Balfour Browne.*] Are you going, sir, to hear argument upon this clause now?

Chairman.] I do not know what Mr. Bidder proposes to do; he has not begun to argue yet.

Mr. *Bidder.*] You will remember, sir, my learned friend Mr. Pope made an application, which I will not read, pointing out the difficulty which the water companies were in; because we did not know whether the London County Council meant to conform to the decision of the Committee or not; and if you will look at page 539, after a good deal of discussion you yourself said: "The way it strikes me at the present time (of course we will hear what Mr. Balfour Browne has to say) is that there would have been a great deal to be said for your contention" (that is, the contention of Mr. Pope) "if we had reason to believe that by the words 'alternative clause' it was intended to convey that the County Council were going to put forward as their view the clause substantially as it was before we gave our decision. But I understand that the proposal pointing in that direction was dropped out of the resolution submitted to the County Council; and so far as we have any knowledge of what is taking place in the discussions of the County Council, it would appear that that indication has disappeared, and therefore, as far as I can gather, and from what I have heard, the intention of the County Council is, to carry out as effectually as they can the decision which was arrived at by this Committee." Then if you will kindly turn on again to page 543, you again spoke after hearing Mr. Littler. You said, sir: "Of course the room will be cleared presently to take the formal opinion of the Committee upon the matter

which has been submitted to us now; but, so far as I can gather, the view of the Committee is this: What we feel is that on the last occasion when this matter came up you said, Mr. Balfour Browne, 'I think, sir, with the assistance you have given us now we shall be able to bring up a clause'; that is to say, our decision was explained to you in a way which left no doubt, I think, that the clause, as we would be prepared to entertain it, would be quite a different clause to what was originally in the Bill, and of course at any time you must count upon the Committee standing to the decision at which they then formally and deliberately arrived. But if you can say something that will assure us that you are going on with this case, not with the intention of upsetting but as far as possible carrying out the decision arrived at, I should be very unwilling to lose even a day at this advanced period of the Session in taking evidence upon whatever points we can. So that you know now what the view of the Committee, so far as I can gather it informally, is, and after you have addressed us we will clear the room and consider the question." Then at the bottom of the page you will see Mr. Balfour Browne repudiated any attempt to get behind the decision of the Committee, and he quotes himself. He says: "These are the words: upon page 408 of the proceedings I said: 'I will bring up a clause in lieu of Clause 6 to carry out the decision of the Committee.'" That is a very strong repudiation of an attempt to get behind it or vary it. Now if you will turn once more to page 545, you again put the matter very clearly before Mr. Balfour Browne: "In the subsequent part, and before you announced your final decision, I used these words: 'I think the words amply clear; I go with you as far as to say that we did consider it was right of the arbitrator to listen to what might be put before him as matters which ought or ought not to be gone into.'"

Chairman.] I think I see now. You are going into an argument as to whether this clause does carry out your decision or not. The Committee think that is for them to give an opinion upon, and therefore they will not have to trouble you to pursue that further.

Mr. *Bidder.*] If you please, sir. If that is so, I will say no more, except to draw your attention to the last page, page 548, where you again said: "Then Mr. Balfour Browne says that he understands those words, 'alternative clause,' in the sense of a clause which would really carry out the decision arrived at by this Committee. I quite agree that if the intention of that alternative clause has the meaning which was expressed in some of the speeches which were read to me, that that would not be carrying out the decision of this Committee." That clearly was what we understood was the view of the Committee. Now, sir, I am entirely in your hands. What we desire, without discussing the merits of this clause for one moment, is to point out that in that radical point which you impressed upon my friend over and over again, that it was to be within the discretion of the arbitrator whether he would or would not consider——

Chairman.] You must not go further into that, please. I will explain in a moment the reason why I say that. I am sure you will agree the Committee have not been desirous of checking either side in any argument they have submitted to us, but the position we have taken up is that on the statement of the promoters' case we have arrived at a certain decision in abridgment of the demands they made upon us from their point of view. They have now submitted to us a clause which they say they believe gives effect to the decision we came to upon their own statement of their own case, and, therefore, we think that at present the question rather is between the promoters of the Bill and the Committee, and it will be afterwards for the opponents of the Bill to make such comment on the clause as it may stand.

Mr. *Bidder.*] The moment you say that, sir, I say nothing further.

Chairman.] Then we must clear the room.

Mr. *Littler.*] I do not know, sir, whether you have had the Notes of what took place yesterday before the County Council?

Chairman.] We have nothing to do with that at all.

Mr. *Balfour Browne.*] Certainly not.

Chairman.] Let me say one word upon that point. We have before us here Mr. Balfour Browne, who is conducting the case of the County Council, if I may be permitted to say so, with great ability. We assume that he has full instructions from them, and we can take no notice of the discussions which take place in the County Council.

Mr. *Littler.*] I only suggested it, sir, for your convenience; but that does not preclude us from referring to them.

Chairman.] No, not at all; that is quite a different thing.

The Committee-room was cleared.

After a short time the counsel and parties were again called in.

Chairman.] The Committee have given such consideration to this clause which has been submitted to them as was possible in the short time which it has been under their consideration. Of course it must be understood, in the first place, that any adoption of this clause which we may now signify is subject, as we said originally, to the decision we may arrive at after we have heard counsel for the opponents of the Bill with reference to it; but on the question which we have been asked to answer, namely, as to whether this clause, as submitted to us by Mr. Balfour Browne just now, does give effect to the decision which we arrived at, speaking generally, and subject to further consideration, and also to one or two points to which I wish to call attention, we do not see anything at present in this clause, as submitted to us, which is inconsistent with the decision already arrived at as to Clause 6. But I should like, again, to emphasise what

what I have said, that we, of course, have only been able to give it a hasty and cursory consideration, and there may lurk some meaning in some of the words which we do not at present see. I should also like at once to call attention to one or two points. First, it will be remembered that we were very emphatic in saying that we wished the arbitrator to have it in his discretion to accept all the evidence, if any, and to give such effect, if any, to the considerations submitted to him as he in his discretion should think right. At the present moment we are inclined to think that it will be necessary to put some words into this clause, when we deal with it as a clause and when we come to the clauses, which will make it amply clear that it is to be for the arbitrator to decide, when any matter is submitted for his consideration, how far he will go into evidence, and whether he will go into evidence at all upon it. That we wish to have made quite clear.

Further, we wish to guard ourselves against at the present moment expressing any opinion upon the words which refer to the discretion of the arbitrator, "As fully and effectually as could be done by Act of Parliament." The Committee have not had that matter discussed before them as yet, and, of course, are not to be taken as agreeing to those particular words until the matter has been fully discussed before them; but, speaking generally, the opponents of the Bill, subject to the observations I have made, and to any further observations which we may have to make upon it which do not occur to us at present, must deal with it as being a clause which does substantially carry out the intention and the decision of the Committee. I say, again, that the opponents of the Bill are at liberty in dealing with this clause to advance such arguments as they may think fit against the clause generally, or any part of it, and that we will listen to such arguments with an open mind.

Also the Committee has come to the decision, at least at present they see no objection to go into this matter as a matter of preamble, and they think on the whole that would be a more convenient course than postponing the preamble, as was suggested, I think, by my learned friend, Mr. Pope. Of course it will be for counsel to suggest, and the Committee to adopt, when we come to clauses, in case we should come to clauses, any verbal alterations which may be necessary. I hope I have made clear to counsel on both sides the view taken by the Committee.

Mr. *Balfour Browne.*] Perfectly, sir.

Mr. *Bidder.*] Before my learned friend begins it would be a convenience to a good many of us if you, sir, could give us any indication of what the arrangements of the Committee will be for the rest of this week as to sitting. I know it is a matter complicated by things to which I need not refer.

Mr. *Balfour Browne.*] Before you decide that, sir, my learned friend, Mr. Pope, tells me what, I think, may materially alter your decision, that they do not propose to call evidence, that they are only going to address you, and that may shorten proceedings considerably, I should think.

The Committee consult.

Chairman.] The Committee have decided that they will meet to-morrow at 12 o'clock, at all events, whether the House is sitting or not, and then to-morrow we shall be in a better position to decide what further course we shall adopt.

Mr. *Pember* was heard to address the Committee in support of the Petitions of the Lambeth Water Company, the East London Water Company, the Grand Junction Water Company, and the West Middlesex Water Company in opposition to the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 26th June 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. *Pember* was further heard to address the Committee in opposition to the Bill.

Mr. *Littler* was heard to open the case on behalf of the Kent Waterworks Company in opposition to the Bill.

[Adjourned till To-morrow, at a quarter past Twelve o'clock.

Thursday, 27th June 1895.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

MR. *Littler* was heard to continue his address to the Committee on behalf of the Kent Waterworks Company in opposition to the Bill.

Mr. *Balfour Browne* was heard to address the Committee in support of the alternative clause for Clause 6 in the Bill.

The Committee room was cleared.

After a short time the counsel and parties were again called in.

Chairman.] The Committee desire me to say that the view they take at present of this clause, which is called the alternative clause, which has been presented to us by the representatives of the London County Council, subject to a probable alteration in the Preamble of it (a suggestion to which I think Mr. Balfour Browne was not disposed to object, though I do not wish it to bind him), and also subject to an alteration which would make it quite clear that the words which have been objected to so much, namely: "such sum as the arbitrators may award" and following words (to make it quite clear), is that that does not in any way fetter or reduce the power of the arbitrator to consider fully whether he should give any, and what sum, and on the question of whether any "addition shall be made to the fair and reasonable value of the undertaking in respect of compulsory sale" if in his discretion he should think fit to do so. Our object is to leave the arbitrator as perfectly unfettered with regard to that question as can be, and also reserving to ourselves for further consideration these final words of the paragraph, namely, "and as fully and as effectually as could be done by Act of Parliament." That we should like to consider still further, but in other respects we do think the clause carries out substantially the decision at which we arrived some time ago.

Now, as to the further proceedings of this Committee, it is clear to all of us that if the dissolution of the present Parliament is to take place within the time it is generally expected it will take place, it will be a mere waste of time and money for us to attempt to conclude the consideration of this Bill in such a way as to enable it to be taken up again in the next Parliament at the stage at which we break off. We were under the impression, until just now, that at whatever stage this Bill was dropped, the proceedings might be taken up under a general resolution of the House, where they left off, in the next Parliament. We are informed that it is not so; and having fully considered the matter, we think it will be hopeless to proceed further with this investigation in the present Parliament if the dissolution is really to arrive at the time expected. At the same time all things in politics are uncertain, and we cannot exclude the possibility of some change taking place in the political situation. Therefore the Committee have decided to adjourn until next Wednesday, and if it should then appear that there is no prospect of a prolonged Session of this Parliament, such as would enable us to get the business through, we shall not attempt to do so; but, at all events, for the present the Committee stands adjourned until next Wednesday.

Mr. *Littler.*] I should like to say, sir, one word before the Committee adjourns. My learned friend, Mr. Freeman, placed very great reliance upon a certain sub-section in his Public Bill. At the very moment I was addressing you that sub-section was being struck out by the Unopposed Bill Committee, and it has been struck out.

Mr. *Bidder.*] I gather that it depends upon circumstances which we cannot exactly foresee yet whether you sit again for the purpose of further proceeding with this Bill or not?

Chairman.] Yes, it does.

Mr. *Bidder.*] Under those circumstances, of course, what you say is on record, and may be referred to in any future Parliament and in any future proceedings; but I should not like that it should go on record that the Committee had approved of this alternative clause as being either in accordance with their decision, or as suitable for the Bill until they have heard me and the other learned counsel who represent the other companies still to be heard.

Chairman.]

Chairman.] Quite so ; of course, if the Bill goes on, we shall always be ready to hear with an open mind anything that you or other learned counsel may submit to us in the ordinary course.

Mr. *Bidder.*] Your intimation is no more than an interlocutory intimation of what is passing in your minds at the moment?

Chairman.] Yes.

Mr. *Balfour Browne.*] Of course, I cannot hope to regulate the Committee, but may I say that it seems a great pity that you should not hear these Bills out? I do not think they can take very long. There are only three speeches left, and I do not think they can be of any great length after my learned friend Mr. Pember and my learned friend Mr. Littler's addresses to you. Then I think in all probability if the Preambles were found to be proved, my learned friends would take no part in the discussion of clauses, and then these Bills would be suspended at a stage when no money would be thrown away, because, under the General Act which is passed when a Session dissolves, they would be suspended at a stage when they could be taken to the House of Lords in the following Session. It would be a very great pity, I think, if all the expense and all the care which this Committee have bestowed upon the matter is thrown away. I am only speaking now with regard to the Bills of the Lambeth and Southwark and Vauxhall Water Companies.

Chairman.] We have considered that matter, and the Committee have come to the conclusion that there is no prospect of their being able to arrive at a final conclusion as to the Preambles of the Bills within the time which appears to be at their disposal, having regard to all the circumstances of the case.

Mr. *Pember.*] There is one other point, sir, not connected so much with these Transfer Bills, and it is this : You have some Bills referred to you, the Chelsea Bill and the Lambeth Bill. They are private Bills on the same footing as those which were passed for three of the other companies last year ; and certainly it would be a very great thing if they could be advanced a stage this Session.

Mr. *Balfour Browne.*] But they are opposed Bills, and if there is not time to finish these Bills there certainly would be no time to finish them ; they must last some days.

Chairman.] As I understand, these Bills would be taken up in the new Parliament at the stage in which they were left. We regret extremely the conclusion at which we have been obliged to arrive, but it is not the act of this Committee which has terminated the existence of Parliament.

Mr. *Pember.*] Then you come to the same conclusion with regard to those Bills as you do with regard to the Bills you have been considering?

Chairman.] Yes. The Committee stands adjourned until Wednesday, at 12 o'clock.

[Adjourned to Wednesday next, at Twelve o'clock.

Wednesday, 3rd July 1895.

MEMBERS PRESENT :

Mr. Baldwin.	Mr. Muntz.
Mr. Burnie.	Mr. David Plunket.
Sir James Kitson.	

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Chairman.] There is now a quorum of the Committee present, and according to the decision which we arrived at at our last meeting, as there is no reasonable prospect evidently of Parliament continuing in sitting probably beyond next Monday or Tuesday, we have nothing to do but to dissolve ourselves, because, as you will remember, it was arranged on the last occasion that the meeting of this day was only summoned on the chance of there being some alteration in the prospects of an early dissolution of Parliament. No such alteration has occurred, and therefore we have nothing more to do except to thank you all, gentlemen, for the very able assistance which you have given to the Committee in the course of their somewhat arduous labours.

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by Mr. *Charles Harrison*, 16 May 1895.

REPORT of the PARLIAMENTARY COMMITTEE.

LONDON WATER COMMISSION.

THE scheme of this Bill is to constitute a Commission, with power to introduce Bills into Parliament for various objects set out in Clause 5, which include the acquisition of existing and the construction of new waterworks, and the supply of water by the Commission.

The Commission is to be constituted as set out in the First Schedule, as follows :—

(1.) The Commission shall consist of 51 members (to be called "original members") and such additional members as may be from time to time nominated or appointed as hereinafter provided.

(2.) The 51 "original members" shall include two *ex-officio* members, namely :—

(*a.*) The Lord Mayor of the City of London.

(*b.*) The Chairman of the London County Council.

(3.) The remaining 49 original members shall be nominated as follows, namely :—

The President of the Local Government Board shall nominate	1
The President of the Board of Agriculture shall nominate	1
The Corporation of the City of London shall nominate	5
The London County Council shall nominate	20
The County Council of Middlesex shall nominate	4
The County Council of Surrey shall nominate	4
The County Council of Essex shall nominate	3
The County Council of Hertfordshire shall nominate	1
The County Council of Buckinghamshire shall nominate	1
The County Council of Berkshire shall nominate	1
The County Council of Oxfordshire shall nominate	1
The Corporation of the Borough of West Ham shall nominate	1
The Corporation of the Borough of Richmond shall nominate	1
The Corporation of the Borough of Kingston-upon-Thames shall nominate	1
The Corporation of the Borough of Windsor shall nominate	1
The Corporation of the Borough of Reading shall nominate	1
The Corporation of the Borough of Abingdon shall nominate	1
The Corporation of the City of Oxford shall nominate	1

If and whenever Parliament shall so direct additional members may be from time to time nominated by the County Council of each of the counties of Gloucester, Wilts, Hants, and Kent, and by the respective Boards of Conservancy of the rivers Thames and Lea. All nominated members of the Commission are to vacate office on the 1st day of July 1896, and on the same day in every subsequent fifth year, when their places are to be filled up by an equal number of nominated members ; but any member so vacating office shall be re-eligible for fresh nomination by the same or any other of the above persons or bodies. The Bill proposes rules contained in the Second Schedule with respect to the proceedings of the Commission, and its committees, the future nomination and the disqualification of members of the Commission, which do not need special comment at present. As a temporary expedient, it is proposed to provide by Clause 10 that the Corporation of the City of London should advance a sum not exceeding 5,000*l.* for the expenses of the Commission, it being obvious that until the Commission have obtained from Parliament some powers under a future Act, they would have no funds at their disposal. It will be most desirable that the Council should arrive at an early decision as to the course to be adopted in regard to this Bill. In any event, the case to be presented on behalf of the Council will be difficult, and will require exhaustive and early consideration.

The Bill is generally understood to have been framed in pursuance of a Report of the Commission of Inquiry appointed by the Corporation of the City of London, who have recently been holding various sittings and taking evidence upon the subject. But it is not easy to discover in this evidence or the Report of the Committee the precise facts which were thought to necessitate the adoption of this particular form of Bill. It may probably be assumed that the constitution of a new public body in London, consisting of the representatives of a large number of diverse interests, would be undesirable, unless capable of being supported by cogent evidence.

The committee of the Corporation visited Manchester and Glasgow, inspected the waterworks there, and took evidence in both places. In both these towns the Parliamentary history of the water question affords a precedent for dealing with circumstances very similar to those of London, but upon principles which are different from those embodied in the present Bill. Both in Manchester and Glasgow the water supply was formerly in the hands of companies who were supplying—not only within the municipal limits of the town, but within a large and important neighbouring area—from waterworks situate outside the municipal boundaries. In both cases the necessity for an improved or supplementary supply was foreseen. The existing waterworks, with the powers of supply, both within and without the municipal boundaries, were transferred to the Municipal Corporation, who were subsequently empowered by Parliament to go to a considerable distance (in the case of Manchester to Lake Thirlmere, and in the case of Glasgow to Loch Katrine) to provide a new supply for the inhabitants of the district within which the water was supplied. The City Committee, however, in their report, do not propose to follow either of these precedents, but suggest the appointment of a Commission, such as would be constituted by the present Bill.

In addition to the Bill now under discussion, Bills have been deposited by the Corporation of Croydon and the Southwark and Vauxhall Water Company, of which it is unnecessary to say more at present than that they have reference generally to the London water question, and must be included along with the present Bill in any reference to a Select Committee of Parliament.

Notices have also been given for the introduction of a Public Bill dealing with the same subject. We do not doubt but that the most convenient course of Parliamentary procedure will be (on the assumption that the Bills are read a second time) that they should be referred to the same Committee of Parliament, and it will be a matter for consideration whether it would be desirable that such Committee should deal merely with the questions raised by the present Bill, or whether the scope of its reference should be so enlarged as to admit of the consideration either of the water subject generally, or of any special branches of it.

The questions raised by the London Water Commission Bill are :—

(1.) Whether it is proper in the present Session to confer on a public authority such powers as may enable them to consider and deal with the water question, and in a future year to make applications for Parliamentary powers? (2.) To what public authority should these powers be entrusted ?

The alternatives are obviously : (a.) a new public authority to be created either as a representative Commission upon the lines of the present Bill or otherwise. (b.) An existing local authority, in which case the London County Council seems alone available.

The proceedings of the year 1880 should be borne in mind. In that year Mr. (now Viscount) Cross introduced the Metropolis Water Purchase Bill, the object of which was to create what was called a Water Trust, composed of nominated and elected members representing the London areas and suburbs.

Agreements were provisionally arrived at with the water companies by the late Mr. Edmund J. Smith for the purchase of the London water undertakings on terms which, in the opinion both of the Corporation and of the Metropolitan Board of Works, were too high.

A Select Committee, over which Sir William Harcourt presided, was appointed to inquire into the expediency of purchasing the Metropolitan water undertakings, and as to whether the provisional agreements would furnish a satisfactory basis for such acquisition.

The Report of this Committee, which is throughout of very high importance, is in substance—

That the supply of water to the Metropolis should be placed under the control of some public body.

That in the absence of any single municipal body to which these functions could be committed, a water authority of a representative character should be constituted, and

That a Bill, having that object, should be introduced at an early date by the Government.

It seems clear from the Report that the then absence of any single municipal body in the case of London, to which these functions could be committed, is thus put forward as the special justification for the then proposal to create a water authority of a representative character.

It is no doubt recognised that if this subject is referred to any Committee of Parliament, the Council will be expected to be prepared with a clearly defined policy, and that some witness or witnesses must be called before any such Committee on their behalf, who should have grasped all the details of the subject, and be able to defend that policy. It may be well to remind the Council that this would be a very heavy task ; and if it is to be performed in any degree satisfactorily, the preparation should be taken in hand without the delay of a single day. The elaboration of necessary statistics, the selection of the facts to be laid before the Parliamentary Committee, and the general arrangement of the case, will involve long and careful preparation, and we think that it is desirable that some general instructions should be given at the earliest possible date which should authorise the officers of the Council to take this matter in hand with considerable discretion as to the assistance in various ways which they may find necessary.

The work which will be involved is of so heavy a character that it would be impracticable to manage it satisfactorily in a large Committee, and we have accordingly appointed a Sub-Committee of three to attend to all matters connected with the Bill, and we recommend—

(a.) That the Council do associate two members of the Finance Committee and two members of the Special Water and Markets Committee with the members appointed by us, and that the Committee so constituted do act as a Sub-Committee of the Parliamentary Committee.

We also recommend, with special reference to the conclusions of Sir W. Harcourt's Committee, quoted above—

(b.) That, to preserve the rights of the Council, a petition be presented against the London Water Commission Bill.

Resolved, That the remaining recommendations in the Report be adopted, with the exception of those in paragraphs Nos. 3, 4, 5, and 9, and that the consideration of those recommendations be deferred.

ADJOURNED REPORT of the Parliamentary Committee on the London Water Bills now before Parliament.

Deferred on 17th February.

1. London Water Commission Bill.	Private Bills.
2. Southwark and Vauxhall Water Bill.	
3. Croydon Water Bill.	
4. Metropolis Water Supply Bill.	Public Bills.
5. London Water (Meter) Bill.	
6. Metropolitan Water Companies' (Charges) Bill.	

Introductory.

On the 15th January last we reported on the Private Water Bills, and petitions against the three first-named Bills have been adopted, and have been sealed by the Council and duly presented.

Of the Public Bills the Bill which we mentioned in our report of the 29th January is about to be introduced, and which was referred to us on the 3rd instant for consideration, has been since brought in under the name of the Metropolis Water Supply Bill, and we now present the following further report explanatory of the principles on which it appears to us that the Council should act in relation to all these Private and Public Bills, and the objections which should be raised in the event of their being referred to a Select Committee.

We have directed that copies of the Private Bill promoted by the Corporation (London Water Commission Bill) and of the Public Bill (the Metropolis Water Supply) promoted by certain Vestries be sent to all members of the Council.

Main questions for consideration defined.

The Bills are so interdependent that we think it desirable, notwithstanding our previous report of the 15th ultimo, which we fully indorse, to include them all in this report.

Among the issues raised by the Private Bill of the London Water Commission, promoted by the Corporation, and the Public Bill of Metropolis Water Supply, promoted on behalf of Vestries, there is one of primary importance, viz. :—

1. Should any new body be created—whether Trust or Commission—to whom the London water supply should be immediately entrusted ?

And this question involves a second equally important, viz. :—

2. Should the London County Council be the body to deal with the water supply on behalf of the consumers ?

To the first of these questions we have no hesitation in recommending a negative answer, and the same considerations which lead us to this will be found to support an affirmative answer to the second question.

As, however, it appears from the pending Bills that the first of these questions would be differently answered by bodies whose opinions are entitled to great respect (the City of London and some of the London Vestries), we think it right to explain the reason for the answer which we propose to give.

Circumstances of London the same as most other large towns.

The question of water supply to London differs in magnitude only, not in principle, from the same question as already fully discussed and solved by the leading municipal corporations for other great centres of population in the United Kingdom.

Precisely similar circumstances present themselves in the case of London as have presented themselves in many other places. A company or companies have been formed under special Acts of Parliament with authority to supply water for domestic and trading purposes to a populous district. The boundaries of the district which it was found convenient to include within the company's area of supply were not co-incident with the boundaries of any one local or sanitary district. The growth of neighbouring population and commercial requirements led from time to time to the extension of the company's area of supply, until it included adjoining towns and districts. The increasing demand for water led to apprehensions that the supply might be inadequate, and various questions arose between the companies supplying, and the consumers using, the water, as to the sufficiency of the supply, the quality of the water, the price charged, the method of distribution, and other matters.

In some cases, before the companies had admitted the necessity of going further afield for more abundant and wholesome supplies, and in others after the importance of placing the water supply in the hands of the local authority came to be admitted, and not only admitted by all those locally interested in the great questions of water supply and public health, but approved year after year by Parliament.

So by degrees, in nearly all the principal centres of population, the water supply has been placed in the hands of the municipal authorities.

In Manchester, Liverpool, Glasgow, Dublin, Leeds, Bradford, Cardiff, Nottingham, Leicester, and many other towns, what is regarded in London as a difficult problem has been successfully solved.

General principles of Water Supply applicable.

Waterworks in these cases are owned by the central local authority supplying water within their own municipal limits, and within a large area beyond, often many times as large and nearly as populous as their own district. In some great cases the municipal authority has been impelled, after purchasing the works of commercial companies, to go far away from their own district in search of an adequate supply. Nor have they found any difficulty in obtaining the necessary powers from Parliament. Glasgow has been allowed to tap Loch Katrine, 30 miles distant, and subsequently Manchester has taken Thirlmere, 100 miles, and Liverpool the upper waters of the Vyrnwy, 68 miles distant from their municipal boundaries.

The principle thus established is based on foundations which appear to us unassailable. An ample supply of water is a necessity of public health, and should therefore be under the direct control of the authority directly responsible to the inhabitants of the central population supplied.

The sanitary exigencies of the community demand that water should be supplied more liberally to the more densely-populated and poorer districts than to the richer, and thus water for domestic purposes is not suitable for treatment as a commercial commodity to be supplied for profit, or as a commodity to be dealt with by an extraneous authority not charged with the administration of sanitary laws.

Financial considerations and motives of general convenience have led to the ownership of waterworks being vested in the central municipal authority, through whom the necessary funds have been economically raised by a charge not only on the revenue arising from water rents or charges, but on the ratepayers whom the authority represent. In the district outside the municipal limits, water is supplied either direct to the consumer, or in bulk to other local authorities for distribution by them to the consumers on principles well understood and frequently acted upon.

In principle we see no difference between the case of London and the other large towns above mentioned, although there are some differences of detail in the points hereafter mentioned, which, while they may demand some separate consideration, appear to present but little difficulty.

Report of Sir W. Harcourt's Committee.

Reports of Parliamentary Committees and other inquiries, and various local Acts of Parliament, extending over a long series of years, have completely recognised the principles above enumerated. We do not propose to refer here to these reports, &c., further than to quote the conclusions of Sir W. Harcourt's Committee of 1880.

"That the supply of water to the Metropolis should be placed under the control of some public body ;

"That *in the absence of any single municipal body* to which these functions could be committed, a water authority of a representative character should be constituted ; and

"That a Bill having that object should be introduced at an early date by the Government."

We refer specially to this because in some printed memoranda issued in reference to the principal Bills hereafter dealt with, the words in *italics* have been omitted, and the conclusions of this Committee may have been misunderstood or not fully quoted ; it being stated in these memoranda that a new representative body was recommended by the Committee, while no reference has been made to the fact that this conclusion was based on the then absence of any single municipal body in the case of London to whom these functions could be committed.

It can hardly be suggested that this Council is not such a municipal body as indicated in that report.

Some objections to transfer of Water Supply to the Council discussed.

We have already observed that in some points of detail the circumstances of London have been said to differ from those of the other towns above mentioned. Three only seem to demand separate examination.

1. *It is suggested by the Advocates for creating a new body that the Council is more overburdened with work than the Corporations of Manchester, Liverpool, Dublin, and other towns, and could not find time for the work.*

We do not think this need be feared. The administrative functions transferred in 1889 to this Council in the management of the asylums and industrial schools, the main drainage of the metropolitan area, the enforcement of the Metropolitan Building Acts, the management of the fire brigade, parks and open spaces, and bridges, with other numerous and important duties, have been discharged without material difficulty, and it is believed with success. It may be urged that there was transferred along with the duties a highly-trained and efficient staff of officers, to whose assistance the Council is largely indebted for such success as it has achieved. We reply that with the transfer of the water supply we shall in like manner be able to avail ourselves of officials equally versed in their various duties, who will doubtless be equally willing to aid us with their loyal co-operation. Even as at present constituted, we have no doubt that the Council is in a position to cope with the task; but experience will indicate, if it has not already indicated, means by which the work of the Council may be accomplished with less labour than at present. The work of the Council during its first years has been necessarily heavy. The experience gained, the organisation and arrangements effected during this period, is simplifying, and may be expected to simplify, the work in the future. Larger delegation of powers to committees, the diminution of numbers of members serving on committees, better distribution of work among committees, will tend to the relief of the Council, and render it not difficult to find an influential committee which will devote constant attention to the management of this business.

2. *The peculiarity arising from the relative positions of the Corporation of the City of London and this Council.*

We feel sure that all the members of Council will duly appreciate the services which the City has rendered to London in instituting inquiries into and dealing with the subject of water supply, especially during the assumed technical disability of the Council and previously of the Metropolitan Board to handle it. We recognise, moreover, the great historical position of the City as justly giving great weight to their representations on any such subject, and we have very carefully considered whether any scheme could be suggested under which some special representation could be given to the City in the management of the water supply.

On the whole, however, we are unable to draw any substantial distinction between the position of the City in regard to main drainage and the position of the City in regard to water supply. If any difficulty arise or be anticipated under this head, it arises from relations already anomalous, and cannot be remedied by the introduction of a new body and additional complications.

3. *The special circumstances of the towns and districts without the London County boundary, but supplied by the Metropolitan Water Companies.*

On this we have only to observe that every problem involved in the relations between London and the adjacent districts has been already solved by the experience of Manchester, Glasgow, and other towns.

When we come to examine the special proposals for establishing a new Trust, contained in the two pending Bills, we find that such examinations strengthen the above conclusions.

London Water Commission Bill.

Dealing first with the City Bill, it will be observed that the proposal merely involves the establishment of a Commission to be empowered to consider and submit to Parliament Bills dealing with the subject. In settling any such Bill the most important controversial questions would have to be solved by the proposed Commission—questions as to the efficiency of the present and need of future sources of supply; questions concerning the purchase of existing works; and questions concerning the proper mode of charging for water both within and without the county boundary; while there would be another class of controversial questions between the consumers of the water on the one hand, and millowners, riparian proprietors, sanitary and other authorities, and other persons interested in the water and watersheds of the Thames and Lea Valleys on the other hand. Among these the pre-eminent questions of purchase or application to Parliament to authorise new works would demand immediate handling by the newly formed, heterogeneous, and unorganised body with wholly inadequate funds, in the face of opposition unanimous, organised, and with practically unlimited resources.

Constitution of Commission.

The proposed constitution of the Commission may be analysed as follows:—

London County Council members (including the Chairman of the Council)	21
Members representing outside districts (subject to a provision for their ultimate increase, apparently to 28)	22
Corporation of the City (including the Lord Mayor)	6
Appointed by Departments of State	2
TOTAL	51

Upon the questions above indicated, it may be assumed that the 21 members representing the London County Council, and the 22 members representing the outside districts, would have opposing interests, and their numbers being so nearly balanced, the members representing the Corporation would practically have the voting power upon these questions. In fact, the County Council members could not out-vote the members representing the outside district without the support of the Corporation members, while, if the number of the outside members be increased as indicated, they would have a majority of one over the London representatives. Of course, the interests of all the various outside districts represented on the Commission may be different and divergent, but it is conceived that on some of the more vital questions the outside districts would combine.

Initial Difficulties of Proposed Commission.

Having regard to the constitution of the proposed Commission and the manner in which the various interests proposed to be represented thereon would be balanced, even a preliminary agreement upon the general policy to be followed would be difficult of attainment.

Subsequent Difficulties.

And again, even if this difficulty were overcome and a majority of the Commission concurred in the presentation of a Bill to Parliament, it is scarcely possible that it could be based upon anything like unanimity of opinion.

Opponents would have the views of a minority, perhaps a large minority, to support them ; and the prospects of passing a Bill in the circumstances, opposed as it certainly would be by one or more interests affected, would be remote.

However disadvantageous to London any such Bill might be considered, either by the county council or by any large section of the inhabitants, they would probably be precluded from opposing it, as it would have been introduced into Parliament by a Commission on which the Council was represented.

Should, however, these preliminary difficulties be overcome, something like the following results might not improbably be expected :—

The object in establishing the Commission is first to secure and second to manage the water supply of London and outside districts.

It would be, therefore, necessary to the continued existence of the Commission that it should accomplish the first of these objects.

The probable Future Action of the Commission Examined.

It can do this, subject to obtaining the necessary Parliamentary powers, by—

(A.) An alternative and independent supply ;

(B.) Acquiring the undertakings of the companies by agreement (1) including full settlement of all details, or (2) settlement of terms for submission to arbitration ;

(C.) Acquiring by arbitration on terms not accepted by the companies.

They must proceed either by contentious Bills in Parliament, which would of course be strenuously opposed by the companies, or they must if they adopt the alternative (B) proceed by negotiation, which would in its essence also be contentious. In either case they would contend on most unequal terms. The companies are united, experienced, deeply interested, well-informed, and wealthy. The Commission would be discordant, unorganised, ill-informed, and ill-equipped.

It has no income except a loan of 5,000*l.* from the Corporation to meet its expenditure.

The financial obligations resting upon the Commission are the following :—

(A.) To provide and maintain a fit and convenient office for holding meetings of 51 members and transacting business.

(B.) Appoint and pay a secretary and such officers and servants as may be required.

(C.) Pay auditors of accounts.

(D.) Pay 49 nominated members.

(E.) Disburse all necessary expenditure of the office.

(F.) Make inquiry into the present and possible future sources of supply.

(G.) Promote a Bill or Bills in Parliament (if *in opposition* to water companies a most costly business).

The Commission would have the strongest inducement, through lack of funds and the necessity of preserving its existence, to come to terms with the companies ; it could neither afford to remain inactive nor to risk defeat in a Parliamentary contest with them.

The appointment of such a Commission, unwieldy and incongruous in its composition and unfitted to enter into negotiation and contest with the united companies, would, under the circumstances described, be virtually to place the interests of the people of London in the hands of the water companies.

The Bill by its vagueness, and by relegating difficult questions to the obscurity of the future, escapes objections which would otherwise have been obvious. In this respect the second Bill is very instructive, for the Water Trust proposed by the City Bill must inevitably, when they get to work, find themselves involved in the difficulties, financial and administrative, which are more fully exposed in the scheme of the second Bill to which we proceed to advert.

Metropolis Water Supply.

Many of the general objections above suggested will in our opinion equally apply to the Metropolis Water Supply Bill. But there are some special circumstances about this Bill which in our opinion render it deserving of very close consideration by the Council. The Bill has only just been printed and circulated.

It appears from the indorsement on a copy sent to the Council that it has been prepared by the " honorary secretary to the executive committee of Metropolitan Vestries and District Boards, St. James' Vestry Hall, Piccadilly," and a printed memorandum, signed by the honorary secretary of this committee, has also reached us. We nevertheless think it scarcely possible that this Bill will have the approval, after adequate consideration, of the London vestries.

The Bill starts upon the assumption that the existing water undertakings *must* be immediately purchased on arbitration terms (upon the nature of which we propose to observe later). We think most members of the Council would hesitate, without far fuller information than we as yet possess, to commit the ratepayers of London to buy these works at whatever figure an arbitrator or board of arbitration may award, or to enter into an arbitration without Parliament having laid down any definite rules in relation to the terms and conditions affecting the purchase. There are *primâ facie* grounds for believing that the market value of the companies' stocks, as expressed by recent Stock Exchange quotations, is unduly large, being influenced by other considerations than those of intrinsic value ; that unduly high dividends have been maintained, money having been disbursed by way of dividends which ought to have been applied to expenditure on matters either neglected entirely or provided out of capital ; that the works and plant are in some respects obsolete ; that no adequate allowance has been made for depreciation, and above all that heavy expenditure (probably long unprofitable) in the establishment of a new or supplementary system of supply is desirable and perhaps imminent.

The Council has already voted in favour of a resolution asking the Government to institute inquiries covering fresh sources of supply. If, as appears not improbable from the reports made by the officials of the Government and of the Council, it should prove that the present sources of supply are, or soon will be, inadequate, and that great expense will have to be incurred to procure fresh sources of supply, this fact will materially diminish the value of the property which the municipality is to acquire under the arbitration. And yet, as this Bill stands, the arbitrators, in the absence of definite instructions from Parliament on the subject, would probably have neither the power nor the disposition to take this fact into consideration. They would certainly not be obliged to do so ; and the arbitration might thus saddle Londoners with the price of an undertaking one-half of which would be valueless to them.

Should there be real ground for suspecting any of the above-mentioned contingencies to exist, it would seem most inexpedient that an outside body without the experience of the Council and its predecessors, in fact devoid of experience on the subject, should commit London to the result of such an arbitration.

Obligations Imposed on Trust under Vestry Bill.

One of the principal clauses of the Bill (6) is so drafted as to place the proposed trust under a statutory obligation "to carry into effect the purposes of the Act," not only by the acquisition of the companies' undertaking, but also "by the enlargement and improvement of their waterworks, the construction of new waterworks, and the supply of water from *new* and *independent* sources."

It has been suggested to us that this is a mere error in drafting ; but the explanatory memorandum sent us by the promoters seem to leave no room for doubt that the clause is so framed by design. It would impose on the trustees the "trust" not only of purchasing the whole of the existing works, but also of constructing new waterworks and supplying water from new and independent sources, a policy, to which it can scarcely be conceived that the inhabitants of London ought to stand committed. It is probably no exaggeration to affirm that whereas a totally new and satisfactory series of works might be provided at an estimated cost varying from 10,000,000*l.* to 15,000,000*l.*, this extraordinary scheme might cost London, if carried out as proposed by the Bill, some indefinite sum approaching 50,000,000*l.*

Scheme of Arbitration under the Vestry Bill.

The arbitration provisions of this Bill seem to be open to grave objection. Clause 13 provides that the Arbitration Board shall consist of four members, to be appointed respectively by the Local Government Board, the Institute of Bankers, the Institution of Civil Engineers, and the Surveyors' Institution. It may obviously be predicted of such a Board that the nominee of the bankers would support the interest of capital. The surveyors' nominee would follow the practice (apart from any special provisions of the Bill) in awarding a high value on a compulsory sale, in which he would probably find support from the nominee of the Civil Engineers. Apart from such purely speculative suggestions as to the policy of these nominees, they are expressly made arbitrators, within the meaning of the Lands Clauses Acts (Clause 13, sub-par. 3), so that there is as it were a statutory direction, not only to award the costs of the arbitration as against the purchasers (subject to some special powers not affecting the principle), but to make the additional allowance in respect of compulsory purchase which has become habitual under the Lands Clauses Acts. By paragraph 14. the Arbitration Board are required to have regard to the value of the undertakings "prior to the introduction into Parliament of the Bill." This is probably intended to prevent the arbitrator from basing his award on any increase in the selling price of the stocks which may be brought about with a view to influence the award. But we think it is not unlikely to have another effect, which should be guarded against, and may bind the arbitrators to an award of not less than the "market value" of the stocks prior to the introduction of the Bill. It is obvious that if half of the suggestions above made in deterioration of the value of the water undertakings have any foundation in fact, they will become matters of public notoriety, either during the progress of the Parliamentary proceedings, or after the passing the Bill into an Act (if it should pass), and although the disclosure of any such facts might reduce the saleable value of the stocks to accord with the intrinsic value of the undertakings, it is probable that this result would be excluded from the consideration of the Board of Arbitration under the terms of this Section 14. We feel no doubt that the promoters and the Council would be in accord on the principle involved.

It is true that the power possessed or claimed to be possessed by any company to make up deficiencies in the dividends of previous years is stated to be abandoned, but whether any such power exists, and whether but for this enactment an arbitrator could properly take it into consideration, is very doubtful.

Financial Scheme of the Vestry Bill.

The financial scheme is intricate and, as we believe, unsatisfactory. The proposal involves the creation of consolidated water stock charged (under Clause 21) upon the water revenue and the "local rates" of the metropolitan water area. The expression "the local rate" is stated to be defined in the Third Schedule to the Bill, from which it seems that in London it means—in the city, the consolidated sewers rate ; in the other parishes and districts, the general rate ; and in the temples and other places mentioned in Schedule C of the Metropolitan Management Act, the poor rate.

It is uncertain whether any charge on any rates outside the London county boundary would be conferred by the Bill. It will be seen that the Third Schedule refers to parts 2 and 4 of the Fifth Schedule, but the Fifth Schedule is *not divided into parts.*

We do not think that the Council or any other authority controlling public funds could assent to provisions under which a foreign body should have power to issue a mortgage security having any charge upon the rates under their control.

It is urged that the powers of the London School Board are a precedent and authority for what is proposed. But the principle proposed by the Bill is not the same as that enacted for the purposes of that Board, and even were it of precisely the same character, it is eminently undesirable that yet another distinct body should be constituted with power to mortgage the rates, and empowered to carry on a vast enterprise of a commercial character by means of capital borrowed without limit, and to charge the money so borrowed on rates exigible for a different purpose and by different authorities.

This scheme is such as, even if it were allowed, would constitute an unsatisfactory security for the proposed stock. It will indeed be seen that the possibility of difficulty in obtaining contributions out of the local rates has not altogether escaped the promoters, as it is proposed by Clause 21, paragraph 6, to give the Water Trust power to appoint an officer to collect rates to pay their precepts. If we are right in believing this proposition to involve such inconvenience as to be probably inadmissible, it follows that the only security for the money proposed to be advanced will be the "water revenue." If this financial scheme be compared with the alternative of exchanging the water stocks for Metropolitan Consolidation Stock in proportion to their real value, the difference will be apparent. Financial authorities will estimate the relative value of the two securities, but probably the smallest difference which could be attributed to them would be some ¼ per cent. ; it would appear that, assuming a capital of 20,000,000*l.*, there might be a loss of 50,000*l.* a year involved in the scheme now under consideration and so in proportion to the sum required.

Summary of Objections to the Vestry Bill.

It occurs to us to summarise the main objections to this Bill as follows :—

1. Multiplication and confusion of jurisdiction ;
2. Unsatisfactory and extravagant finance ;
3. Interference with principles of rating and delegation to another body of a power to mortgage the rates :
4. Delegation to arbitrators of principles which should be determined by Parliament ;
5. Delegation to arbitrators of too wide and vague powers ;
6. Unsatisfactory character of arbitration tribunal ;
7. No direction to the arbitrators, except such as will enhance price ;
8. The establishment of a *new* body to carry out this enormous transaction with the Water Companies ;
9. Enabling the vendors with all their accumulated experience, knowledge, and official strength, to deal with purchasers entirely inexperienced and devoid of information or the sources of information essential to success.

Doubts whether a Commission or Trust would be much Improvement on the Companies.

It is at best doubtful whether the substitution of any Commission foreign to the Council for the companies would not have other disadvantages. The Council has now the power to criticise and oppose on petition, if necessary, Bills introduced by the water companies and to suggest legislation as to the supply of water and subjects incident thereto. But it could hardly do this in the case of Bills introduced by a Commission or a system of supply adopted by a Commission.

The Council as representing the inhabitants and ratepayers has many questions to consider and deal with. Among them are :—

1. The efficiency of the works for existing and future requirements ;
2. The price charged ;
3. The method of supply ;
4. The interference with streets.
5. The destination of surplus profits arising from the water supply, all of which might involve as constant conflict between the Council and the Commission, as between the Council and the companies.

The sole interest of a Commission, like that of the companies, would be to show a margin of income over expenditure. Any such margin would probably be applicable in reduction of charges for water supplied. It is so expressly provided by the Metropolis Water Bill (subject to a provision as to the equalisation of water rents and all charges incidental thereto throughout the metropolitan water area). In short, the Commission would be representing the consumers of water throughout the whole area of supply, whose interests are by no means identical with those of the metropolitan ratepayers, who might nevertheless be compelled to keep the Commission going by making up any deficiency in income. The Commission would not be the rating authority, it would not be charged with sanitary duties or the supervision of public health, and it is conceivable that it might adopt, or seek to adopt, some system of charge or supply which would bring it into immediate conflict with the Council in its natural policy of securing for the poorer classes as large a supply of water with as little charge to them as practicable.

Second Main Question Discussed.

This leads us to the second main question above proposed, viz., should the power of dealing with the London water supply be now entrusted to the Council ?

The Council has already taken two important steps in this matter. It is inquiring, under powers given by an Act of last year, into the question of fresh sources of supply, and it has petitioned the Government to institute an independent and authoritative inquiry on this all-important question.

Observations on the Value of Existing Works.

Every step in the investigation reveals the importance of caution in regard to the question of taking over the existing works and the terms on which they should be taken.

It is suggested that water of the River Lea has been practically drained by the Water Companies to such an extent as seriously to endanger the sanitary condition of Tottenham, Hackney, Poplar, and other places in the East End of London ; and, because sufficient water has not been left to wash down the impurities discharged into the channel, the Council is being pressed to undertake heavy liabilities to aid Tottenham and other places beyond the county boundary in the matter of drainage.

It is said that an undue quantity of the water of the River Thames has been abstracted and that the contamination of the river has not been adequately prevented, nor any provision made for compensation water. Even if all these evils do not rest in full force now, it is obvious from the facts stated in the Engineers' Report that the necessity for new sources of supply will very soon be imminent.

It is a matter of notoriety that the water of a river like the Thames, passing great and increasing populations, and itself the residence in the hottest months of no small population in house boats, must be more or less polluted with sewage, excrementitious matter, and vegetable and animal refuse ; and it is a necessary subject for investigation how far a water in which these ingredients prevail can be safely relied upon in the future as the only potable water accessible to the greater part of London.

It appears from more or less authoritative reports that the Thames water as supplied to London is in certain circumstances responsible for the spread of disease ; that it is at least occasionally coloured, turbid, and inefficiently filtered, and the extent to which the works of particular companies are in this respect defective may have an important bearing on the expediency of purchasing them.

It follows that if the Council takes up the water supply, a demand for a new and purer water supply is sure to arise, and the Council may be forced into a very large expenditure on a new scheme.

Statistics of other Towns.

The Parliamentary agent has obtained for us information from most of the principal corporations of the kingdom who are supplying water, showing in tabular form—

The area and population within their municipal limits ;

The area and population supplied by them without their municipal limits ;

The cost of the waterworks ;

The rates charged ; and

The system of supply adopted in the area outside the municipal limits.

From the information thus obtained it would appear that if the water companies were to obtain in payment of their undertakings anything like the figure which they are understood to ask, and which was suggested by Mr. Smith's agreements, the Council would start with old waterworks costing per head of population supplied a considerably larger sum than any of the other great waterworks of the country. Should it be proved that a new and independent supply, or new works or even extensive improvements and modifications of existing works had to be undertaken, of course, this sum would be largely increased. It must, however, be remembered that whereas many of these are gravitation works, a great part of the London water supply is derived from pumping ; and further, that the northern towns have been subjected to considerable expenditure in respect of compensation water which the metropolitan companies have escaped, and consequently the accounts of the provisional corporations and the metropolitan companies require some adjustment before accurate comparison can be obtained.

Regarded by other tests, such as the capital cost per million gallons of water supplied, the London Waterworks bought at the companies' valuation would be a most costly purchase.

We think, therefore, that great caution is desirable in dealing with the matter, and that the Council should only purchase the undertakings of the water companies on principles directly indicated and laid down by Parliament previously to entering into any reference.

A new Supply cheaper than purchasing on Companies' Terms.

It is abundantly clear that the Water Companies have no statutory monopoly of the supply of water, that a supply amply sufficient for all the purposes of the community could be introduced from an entirely independent source at a cost of about one-half of the price demanded by the Water Companies, and that the introduction of such supply is subject to the authority of Parliament.

It must be remembered that our predecessors, the Metropolitan Board of Works, as long ago as 1878, thought such a proposal desirable, when they introduced a Bill to authorise a supply of potable water from the chalk hills, while the following passage (passed unanimously) from the report of Sir William Harcourt's Committee deserves to be most carefully borne in mind.

Indications of Parliamentary Policy.

"Your Committee must observe that if the contention of the companies is well founded, the population of the metropolis and its suburbs, amounting to four millions of people, would be left at the mercy of certain trading companies, armed with the power of raising the price of one of the first necessities of life to an extent, practically, without any limit ; a situation from which the companies seem to consider there is no escape, except in the purchase of their undertakings at such a price as they may be willing to accept. If that were the only remedy, the consequence to the consumer of the improvident legislation of the past would be indeed intolerable. But *Parliament is not unequal to redress such mischiefs to the public interests.*"

The more fully the agreements of 1880 are considered the more improvident they appear, and care must be taken that in any arbitration these agreements should in no way be allowed to prejudice the question.

Provisions of Vestry Bill as to Transfer to Council.

The Bill of the Vestries contains, it should be observed, clauses giving the London County Council power, in the months of November and December 1891, to take upon themselves the powers and duties intrusted by the earlier part of the Bill to the proposed Water Trust. But these clauses do not fit on to the rest of the Bill, and may at any time be omitted, and even if they were passed as they stand they would place the Council in a most unsatisfactory position. The Council then newly elected would have to decide with very short notice whether to undertake the duties or not. If it refused it would be open to a charge of abdicating its functions. If it accepted it would be accepting the invidious function of purchasing from the companies on terms which are, as above shown, most unfavourable to the consumers. That the Council will have to acquire such part of the property of the companies as is valuable and efficient we do not doubt. But it must be on proper terms, not on such an arbitration as is provided for by this Bill. It must be a purchase founded on the real value of the property, not on dividends or on market values which largely depend on dividends

If there is to be arbitration, any arbitrator assessing the price should be bound to consider, not the existing market value of the companies' stock or dividends paid by them, but the actual intrinsic value at the present time to the inhabitants of London of the series of waterworks which they are asked to purchase.

It would seem not unfair that he should consider (and not exceed) the cost which a totally new and satisfactory source of supply might be expected to involve, and he should consider the value of potable water drawn from the existing sources under existing statutory and sanitary conditions, as compared with the value of water which might be obtained from purer and more abundant sources.

It may be added that in the case of some of the companies, the New River Company more especially, the property includes a large extent of landed estate with houses thereon, the acquisition of which by the Council is not in any degree essential. There are, however, some properties now occupied as reservoirs or otherwise which it would probably be necessary to acquire in the first instance if the purchase were carried out, and it would be necessary for the Council to obtain powers to deal with these by sale or leasing, should the consolidation of works admit of their being dispensed with.

We have prepared a short Bill seeking powers for the Council to introduce into Parliament Bills dealing with the water question. Leave can be at once obtained to introduce this Bill if the Council is prepared to support it, and having regard to the fact that the other Bills are pending and will, having been read a second time, be referred to a Committee, practically no additional cost will be involved by this course, as the Council must be represented before the Committee in any case.

We have already reported on the Southwark and Vauxhall Water Bill and Croydon Water Bill.

The London Water (Meter) Bill and the Metropolitan Water Companies' (Charges) Bill involve special considerations which are now receiving our attention.

The

The ultimate conclusions at which we have arrived and which we recommend for adoption, are as follows :—

1. That the opposition to the London Water Commission Bill be continued, and that the Metropolis Water Supply Bill be opposed.

2. That in the event of these Bills being referred to a Select Committee, we should be instructed to intimate to the Committee on behalf of the Council that this Council approves the principles indicated in this report, and is prepared to undertake the question of the water supply of London, subject to the following conditions :—

That powers should be conferred on this Council for the introduction into Parliament of Bills dealing with the water question, including the establishment of a new supply, and the improvement of the existing supplies, should further investigation prove such a course to be desirable, and that the Chairman of the Council be requested to introduce into Parliament a public Bill with this object, with the view of its being referred to the same Committee as the several pending Water Bills.

3. That copies of this report be sent by the clerk of the Council to each vestry and district board in the metropolis in sufficient numbers for distribution.

Charles Harrison, Chairman.

Tuesday, 14*th July* 1891.

MEMBERS PRESENT :

Mr. Lawson.	Mr. Murdoch.
Mr. Rowntree.	Sir Henry Roscoe.
Mr. Thomas Henry Bolton.	Mr. J. W. Lowther.
Mr. Bristowe.	Sir Algernon Borthwick.

Sir MATTHEW WHITE RIDLEY, in the Chair.

YOUR Committee have proceeded upon the assumption that in the opinion of Parliament it is desirable to establish a single public representative water authority for the metropolis. Upon this question of policy, therefore, they have taken no evidence and expressed no judgment.

2. The Royal Commission, presided over by the Duke of Richmond, reported in 1869 "That the future control of the water supply should be entrusted to a responsible public body, with powers conferred on them for purchase and extension of existing works, and for levying certain rates referred to." And the Select Committee, of which Sir W. V. Harcourt was chairman, and which examined into the provisional agreements for purchase contained in the Government Bill of 1880, reported "That it is expedient that the supply of water to the metropolis should be placed under the control of some public body, which shall represent the interests and command the confidence of the water consumers."

3. Since these reports much valuable experience has been gained of the growth of population, and of the undertakings of the water companies and the demands upon them. Parliament also, since 1886, has adopted the policy of enforcing more stringent provisions in the case of the issue of any fresh capital. An important inquiry into the whole matter, too, has recently been held by the Corporation of the City of London; and it is evident that there is much fresh light for the consideration of the question from every point of view. Your Committee, therefore, consider it to be most desirable that the problem should be carefully and deliberately examined by the newly-constituted municipal authority, the London County Council, in the interests of the water consumers of the metropolis.

4. The London County Council were, in the Session of 1890, entrusted with powers to initiate negotiations with the water companies, and to incur certain limited expenditure in preliminary inquiries, but those inquiries are necessarily as yet incomplete.

5. Your Committee recommended—

(i.) That powers should be granted to the London County Council to expend such further sums as may be reasonably necessary, in order that they may examine thoroughly for themselves, as the responsible municipal authority of London, the whole position of the metropolitan water supply, and come to a conclusion as to the policy which, for financial and other reasons, it is desirable to adopt.

(ii.) That, if they should so resolve, they should have power to promote a Bill or Bills in Parliament for the purpose of constituting themselves the responsible water authority for London, acting through a statutory committee, appointed either wholly by themselves, or partly in conjunction with the City of London, as was suggested to your Committee on behalf of both bodies. Such statutory committee to comprise a certain number of members possessing special knowledge and qualifications, not necessarily members of the body or bodies appointing.

(iii.) That if so constituted the water authority, they should be required to purchase, either alone or in conjunction with such of the authorities of the outside areas as may be arranged, the undertakings of the eight water companies (except possibly certain lands of the New River Company) by agreement or, failing agreement, by arbitration, within a fixed period.

(iv.) That the new water authority should take over the duties and obligations which the present water companies now have towards the consumers of water in the districts outside the boundaries of the county of London, but within the limits of supply of the present companies.

(v.) That, in the event of purchase by the new authority, power should be given to that authority, and to the new authorities of the outside districts, to negotiate for the purchase of the latter (*a*) of so much of the works of distribution as is appropriated to the district of such local authority, and of the right to a supply of water in bulk from the new authority; or (*b*) possibly of some of the sources of supply which, with their works of distribution, it might be found practicable and advantageous to sever from the general scheme.

6. In the event of the undertakings of the companies not being acquired by purchase, the Committee recommend that there should be a Parliamentary inquiry, before which the interests of the whole of the consumers within the area of the present metropolitan water supply ought to be represented, into the statutory powers and obligations of the water companies, and the control which is now exercised by public departments and the metropolitan and other authorities over them. In the Appendix to Minutes of Evidence will be found a memorandum setting out the existing conditions, but it it might possibly be found advantageous to make the obligations and the control more complete.

7. Your Committee found it impossible, within the limits of the time at their disposal, to conduct satisfactorily any examination into the quality and quantity of the London water supply. But, apart from that consideration, they are of opinion that these questions will naturally form a part of the complete inquiry which it will be the duty of the London County Council to conduct, with the assistance of the professional advice which, as your Committee have recommended, should be at their disposal.

8. Although your Committee have not been able, for the same reason, to examine into any of the cases sought to be established before them, for the protection of their separate interests, by the various local authorities of the areas in which are contained the present sources of supply, they have received sufficient indication that there exist complaints, founded or unfounded, that those sources are in some quarters being evenalready overtaxed. Your Committee do not see their way to recommending any practical method for the effective association of any of these authorities with the inquiry, for which the London County Council must be responsible. But they are of opinion that in any such inquiry regard must be had, on the one hand, to the statutory rights of the present water companies, and, on the other, to the legitimate wants and necessities of the inhabitants of those areas. It must remain with Parliament ultimately to decide upon the merits of any scheme submitted.

9. As it is evident that the necessity of an additional supply of water for London and the surrounding districts may ultimately be established, and as the possible fresh areas of supply are limited, and are already being drained for other large communities, your Committee think that Parliament may well consider, before granting any powers for further encroachment upon those areas, how far provision ought fairly to be made for the possible requirements alike of the metropolis and of the other large populations upon the lines of supply.

10. Of the two Bills before your Committee for the constitution of a new water authority, neither appeared to them calculated to effect a satisfactory solution of the problem, but your Committee desire to place upon record their opinion that both those Bills were carefully considered and promoted in the public interest, and to considerable public advantage.

DRAFT.

Draft Report, read a second time, paragraph by paragraph.

Paragraphs 1, 2, amended and *agreed to.*

Paragraphs 3, 4, *agreed to.*

Paragraph 5, Amendments made.—Another Amendment proposed at the end of the paragraph to add the following Sub-section 6 : "That those local authorities, which like Croydon, Richmond, and Tottenham, are situated within the metropolitan water area, but have their own independent water supply, should, in the event of the purchase of the water companies by the new water authority, be guaranteed in the exercise of their present rights"—(Mr. *J. W. Lowther*).—Question, That the proposed Sub-section 6 be added to the paragraph,—put and *agreed to.*

Paragraph 6, amended, and *agreed to.*

Paragraph 7, *agreed to.*

Paragraph 8, Amendment made.—Another Amendment proposed, in line 5, after the word "overtaxed," to leave out from the words "Your Committee" to the end of the paragraph, in order to insert the words "With a view to consider this question, your Committee recommended that a Royal Commission, composed of specially qualified scientific members, should be appointed to consider how far, if at all, the supply at present derived from the Thames and Lea, and the springs and wells in the metropolitan water area, should be limited or extended"—(Mr. *J. Lowther*). —Question put, That the words proposed to be left out, stand part of the paragraph.—The Committee divided :

Ayes, 4.	Noes, 3.
Mr. Thomas Henry Bolton.	Mr. J. W. Lowther.
Sir Algernon Borthwick.	Mr. Rowntree.
Mr. Bristowe.	Sir Henry Roscoe.
Mr. Lawson.	

Paragraphs 9, 10, amended, and *agreed to.*

Question, That this Report as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence and Appendix.

APPENDIX, No. 2.

APPENDICES A., B., and C. PAPER handed in by Mr. *Henry Lawrence Cripps*, 24 May 1895.

The Right Honourable DAVID PLUNKET, in the Chair.

APPENDIX A.

This Notice should be preserved and produced at the time of Payment.

Dist. No. 6 25
Fol. Book H.

Southwark and Vauxhall Water Company,
Southwark Bridge-road, London, S.E.

Particulars of whole Rate for the Year.

	£.	s.	d.
Five per cent. on rateable value, 46*l.*	2	6	–
Two water-closets	–	6	–
One high service 10 feet above roadway	–	4	–
Baths		—	
Garden watering		—	
Stalls		—	
Carriages		—	
Charge engine	–	10	–
Total for the Year £.	3	6	–

	£.	s.	d.
Application is made for Quarters' Rent in arrear up to Midsummer 1894		—	
Two Quarters' Water Rent from Midsummer 1894 to Christmas 1894, due at Michaelmas 1894	1	13	–
	£.	—	

Mr. *F. Budge*, Receiver.

Will attend at the Office in Southwark Bridge-road, on Fridays only, from 9·30 till 4·30, or it can be paid at

2, Studley-road, Clapham-road, S.W.

On Thursdays only, from 1 till 4.

Where Cheques and Post Office Orders may be sent, crossed "London and Westminster Bank."

For receipts required to be sent a postage stamp must be forwarded.

Printed receipts issued by the Company will alone be recognised.

10 VICTORIA, c. 17.

Section 55.—That every person supplied with water by the Company, who shall suffer any such cistern, pipe, ball, or stop-cock to be out of repair, so that the water supplied to him by the Company shall be wasted, shall forfeit to the Company for every such offence a sum not exceeding 5*l.*

Section 70.—The rates shall be paid in advance by equal quarterly payments in England or Ireland at Christmas Day, Lady Day, Midsummer Day, and Michaelmas Day, and in Scotland at Martinmas, Candlemas, Whitsuntide, and Lammas; and the first payment shall be made at the time when the pipe by which the water is supplied is made to communicate with the pipes of the undertakers, or at the time when the agreement to take water from the undertakers is made.

Section 71.—The occupier of any dwelling-house or part of a dwelling-house liable to the payment of any water rate, who shall give notice of his intention to discontinue the use of the water supplied by the undertakers, or who shall remove from his dwelling between any two quarterly days of payment, shall pay the water rate in respect of such dwelling-house, or part of a dwelling-house, for the quarter ending on the quarterly day of payment next after his quitting the same or giving such notice.

Section 74.—If any person supplied with water by the undertakers, or liable as herein or in the special Act provided, to pay the water rate, neglect to pay such water rate at any of the said times of payment thereof, the undertakers may stop the water from flowing into the premises in respect of which such rate is payable, by cutting off the pipe to such premises, or by such means as the undertakers shall think fit, and may recover the rate due from such person, if less than twenty pounds, with the expenses of cutting off the water and costs of recovering the rate, in the same manner as any damages for the recovery of which no special provision is made, are recoverable by this or the special Act; or if the rate so due amount to twenty pounds or upwards, the undertakers may recover the same, with the expenses of cutting off the water, by action in any court of competent jurisdiction.

15 & 16 VICTORIA, c. 158.

Section 55.—That a supply of water for domestic purposes shall not include a supply of water for steam engines or railway purposes, or for warming or ventilating purposes, or for working any machine or apparatus, or for baths, horses, cattle, or for washing carriages, or for gardens, fountains, or ornamental purposes, or for flushing sewers or drains, or for any trade or manufacture, or business requiring an extra supply of water.

Section 58.—That the owners of all houses, or parts of houses occupied as separate tenements, not respectively exceeding the annual value of twenty pounds, shall during such time as the same shall be supplied with water by the Company, be liable to the payment of rates chargeable in respect thereof under the authority of this Act, instead of the occupiers thereof; and the person receiving the rents of any such house or tenement from the occupier thereof, on his own account, or as agent or receiver for any person interested therein shall be deemed the owner of such house or tenement.

APPENDIX B.

FORM I.

Form used for First Application.

This Notice to be sent with Remittance.

Lambeth Waterworks Company.

By the Water Rate Definition Act, 1885, water rates are now payable upon the rateable value instead of upon the annual value, by which, in accordance with the Company's Acts, they had been theretofore fixed, in the Metropolitan area, which embraces the following parishes in the Company's district :—

Battersea.	Clapham.	St. George-the-Martyr.	Streatham.
Bermondsey.	Lambeth.	St. Saviour's.	Tooting.
Camberwell.	Lewisham.		Wandsworth.
Christchurch.	Newington.		

In all other parishes the true annual value, as laid down by the House of Lords in the case of Dobbs *v.* The Grand Junction Waterworks Company, will be the basis of charge.

The directors have caused the Company's statutory scale of charges to be printed hereunder for the information of their customers, and any communications thereon or upon any business of the Company, addressed The Secretary and General Manager, Lambeth Waterworks Company, Brixton Hill, S.W., will receive due attention.

Application is made to _____ in respect of premises, _____

Fol. _____

Mr. _____

Due at Michaelmas. _____

for 5*l.* 8s. 9*d.*, being the amount of two quarters' water rent, from Midsummer 1893, to Christmas 1893.

To be paid to Mr. *W. Anley*, Collector,
(At his Office), 3, St. James'-road, Brixton, S.W.

Where he attends on Fridays only from Ten to Three.

The collectors also attend at the Company's office, Brixton Hill, on Saturdays, from 10 to 1 o'clock.

Water rates being payable in advance, the Company respectfully request that the above amount be paid to the collector on the first application.

It is requested that all cheques, postal orders, and Post Office orders be crossed "London and County Bank."

N.B.—A stamped directed envelope must be sent in all cases where a receipt or an answer is required from the collector.

The supply will be withdrawn from all houses on their becoming vacant (those farmed by the landlord excepted), unless the Company is communicated with and half rate tendered. In the case of new tenants a quarter's rate in advance must accompany the application for a supply of water.

All furnished houses are chargeable with the full rate. Farmed property must be paid for, whether occupied or not.

THE LAMBETH WATER WORKS ACT, 1848.

Section 37.—

Percentage on Annual Value.		1st Closet.	Other Closets, each.
£. 20 and under	Seven and a-half (7½ per cent.)	—	—
Above £. 20 to £. 40	Seven (7 per cent.)	10*s.*	5*s.*
„ £. 40 to £. 60	Six and a-half (6½ per cent.)	12*s.*	6*s.*
„ £. 60 to £. 80	Six (6 per cent.)	15*s.*	7*s.* 6*d.*
„ £. 80 to £. 100	Five and a-half (5½ per cent.)		
„ £. 100 and upwards	Five (5 per cent.)	20*s.*	10*s.*

Section 39.—"A supply of water for domestic purposes shall not include a supply of water for baths, horses, cattle, or for washing carriages, or for any trade or business whatever."

The charge for fixed baths is 10*s.* per annum each.

There are fixed charges for garden supplies, which the late Sir G. Jessel, Master of the Rolls, in the case of Low *v.* Lambeth Waterworks Company, decided not to be "domestic supplies." These charges, as well as those for trade and other supplies, can be ascertained on application at the Company's office.

EXTRACTS from Waterworks Clauses Act, 1847. (10 Vict. c. 17.)

Section 70.—The rates shall be paid in advance by equal quarterly payments in England or Ireland at Christmas Day, Lady-Day, Midsummer Day, and Michaelmas Day, and in Scotland at Martinmas, Candlemas, Whitsuntide, and Lammas ; and the first payment shall be made at the time when the pipe by which the water is supplied is made to communicate with the pipes of the undertakers, or at the time when the agreement to take water from the undertakers is made.

Section 71.—The occupier of any dwelling-house or part of a dwelling-house liable to the payment of any water rate, who shall give notice of his intention to discontinue the use of the water supplied by the undertakers, or who shall remove from his dwelling between any two quarterly days of payment, shall pay the water rate in respect of such dwelling-house, or part of a dwelling-house, for the quarter ending on the quarterly day of payment next, after his quitting the same or giving such notice.

Section 74.—

Section 74.—If any person supplied with water by the undertakers, or liable as herein or in the special Act provided to pay the water rate, neglect to pay such water rate at any of the said times of payment thereof, the undertakers may stop the water from flowing into the premises, in respect of which such rate is payable, by cutting off the pipe to such premises or by such means as the undertakers shall think fit, and may recover the rate due from such person, if less than twenty pounds, with the expenses of cutting off the water, and costs of recovering the rate in the same manner as any damages for the recovery of which no special provision is made, are recoverable by this or the special Act; or if the rate so due amount to twenty pounds or upwards, the undertakers may recover the same, with the expenses of cutting off the water, by action in any court of competent jurisdiction.

EXTRACT from Lambeth Water Works Act, 1871. (34 & 35 Vict. c. 83.)

Section 18.—A notice to the company for the discontinuance of a supply of water shall not be of any effect unless it is in writing and is left at the principal office, for the time being, of the company.

Stations of the Company.

Impounding reservoirs, West Molesey. Filtration works, Ditton. Pumping stations, Ditton and Brixton Hill, Reservoirs, Brixton Hill; Crown Hill, Norwood; Selhurst, South Norwood; Streatham Hill; Rock Hill, Sydenham; Coombe Warren, Kingston Hill.

Town Inspector and Foreman.

R. Jones, 66, Surrey-square, Old Kent-road, S.E.

District Foremen.

A. Fox, 53, Rosebery-road, Clapham Park.
W. Wilcher, L. W. W. Reservoir, Rock Hill, Sydenham.

Foreman of Turncocks.

J. Chester, L. W. W. Reservoir, Crown-lane, Streatham.

Local Turncocks.

W. Keeping, 10, Prague-street, Cornwall-road, Brixton Hill.
R. Harrington, 40, Halstead-street, Brixton.
J. Ladd, 86, Landcroft-road, East Dulwich.
W. Rice, 15, Sulina-road, Brixton Hill.
R. Hunt, 37, Queen's-road, Crown Hill, Upper Norwood.
A. Byford, 2, Cranfield-villas, West Norwood.

Local Assistant Turncocks.

G. Adams, 39, Landells-road, Lordship-lane, East Dulwich.
T. Burgess, 59, Palace-square, Upper Norwood.
J. Carr, 4, Clarke's-row, Ingleton-street, Brixton-road.
W. Brace, 5, Calder-row, Brixton Hill.
W. Dewdney, 109, Biggin Hill, Upper Norwood.

FORM 2.

Form used for Second Application.

This Notice to be sent with Remittance.

Lambeth Water Works Company.

By the Water Rate Definition Act, 1885, water rates are now payable upon the rateable value instead of upon the annual value by which, in accordance with the Company's Acts, they had been theretofore fixed, in the metropolitan area, which embraces the following parishes in the company's district:—

Battersea.	Clapham.	St. George-the-Martyr.	Tooting.
Bermondsey.	Lambeth.	St. Saviour's.	Wandsworth.
Camberwell.	Lewisham.	Streatham.	
Christchurch.	Newington.		

In all other parishes the true annual value, as laid down by the House of Lords in the case of Dobbs *v.* The Grand Junction Water Works Company, will be the basis of charge.

The directors have caused the company's statutory scale of charges to be printed hereunder for the information of their customers, and any communications thereon, or upon any business of the company addressed to the Secretary, Lambeth Water Works Company, Brixton Hill, S.W., will receive due attention.

Folio 13.

The directors respectfully remind Mr. that 1*l.* 15*s.* became payable at Michaelmas Day for two quarters' water rate to Christmas, 1894, in respect of

The collector, Mr. W. H. Paris, has only authority to accept the above-mentioned amount, which may be paid either at the company's office, Brixton Hill, on Saturdays between 10 and 1 o'clock, or to him (at his office), 134, Westminster Bridge road, S.E. (which is not an office of the company), on Mondays from 11 to 3, and Fridays from 2 to 4 only.

 A cheque,

A cheque, or postal or money orders, crossed "London and County Bank," may be sent for the above-mentioned amount.

A stamped directed envelope should be sent if a receipt is required.

N.B.—This notice is issued, and the above arrangements for receiving payments are made, without prejudice (in the event of the amount being disputed) to any right conferred on the company by any special or general Act of Parliament.

Special attention is called to the statutory provisions with regard to the payment of water rates, which are printed on the back hereof.

The supply will be withdrawn from all houses on their becoming vacant (those farmed by the landlord excepted) unless the company is communicated with and half-rate tendered. In the case of new tenants a quarter's rate in advance must accompany the application for a supply of water.

All furnished houses are chargeable with the full rate. Farmed property must be paid for, whether occupied or not.

SCALE OF CHARGES:

Percentage on Annual Value.		1st Closet.	Other Closets, each.
£.20 and under	Seven and a-half (7½ per cent.)	—	—
Above £.20 to £.40	Seven (7 per cent.)	10*s.*	5*s.*
„ £.40 to £.60	Six and a-half (6½ per cent.)	12*s.*	6*s.*
„ £.60 to £.80	Six (6 per cent.)	15*s.*	7*s.* 6*d.*
„ £.80 to £.100	Five and a-half (5½ per cent.)		
„ £.100 and upwards	Five (5 per cent.)	20*s.*	10*s.*

The above charges do not include water for fixed baths or gardens, or horses, or cattle, or washingcarr iages, or any trade or business; but the company supply water for any of these purposes by agreement.

The company supply water for a fixed bath at a charge of 2*s.* 6*d.* per quarter, payable in advance, and forms of application for such a supply can be obtained from the collectors, or at the company's office. The charges for a supply of water for the other purposes which are required to be the subject of agreement can be ascertained on application at the company's office.

EXTRACTS from Water Works Clauses Act, 1847. (10 Vict. c. 17.)

Section 70.—The rates shall be paid in advance by equal quarterly payments in England or Ireland at Christmas Day, Lady Day, Midsummer Day, and Michaelmas Day, and in Scotland at Martinmas, Candlemas, Whitsuntide, and Lammas; and the first payment shall be made at the time when the pipe by which the water is supplied is made to communicate with the pipes of the undertakers, or at the time when the agreement to take water from the undertakers is made.

Section 71.—The occupier of any dwelling house, or part of a dwelling house, liable to the payment of any water rate, who shall give notice of his intention to discontinue the use of the water supplied by the undertakers, or who shall remove from his dwelling between any two quarterly days of payment, shall pay the water rate in respect of such dwelling house, or part of a dwelling house, for the quarter ending on the quarterly day of payment next after his quitting the same or giving such notice.

Section 74.—If any person supplied with water by the undertakers, or liable as herein or in the special Act provided to pay the water rate, neglect to pay such water rate at any of the said times of payment thereof, the undertakers may stop the water from flowing into the premises, in respect of which such rate is payable, by cutting off the pipe to such premises, or by such means as the undertakers shall think fit, and may recover the rate due from such person, if less than 20*l.*, with the expenses of cutting off the water, and costs of recovering the rate in the same manner as any damages for the recovery of which no special provision is made, are recoverable by this or the special Act; or if the rate so due amount to 20*l.* or upwards, the undertakers may recover the same, with the expenses of cutting off the water, by action in any court of competent jurisdiction.

EXTRACT from Lambeth Water Works Act, 1871.

(34 & 35 Vict. c. 83.)

Section 18.—A notice to the company for the discontinuance of a supply of water shall not be of any effect unless it is in writing, and is left at the principal office for the time being of the company.

Stations of the Company.

Impounding reservoirs, West Molesey. Filtration works, Surbiton. Pumping stations, Surbiton and Brixton Hill.

Reservoirs, Brixton Hill; Streatham Hill; Crown Hill, Norwood; Rock Hill, Sydenham; Selhurst, South Norwood; Coombe Warren, Kingston Hill.

Town Inspector and Foreman.

R. Jones, 66, Surrey-square, Old Kent-road, S.E.

Local Turncocks.

S. Roberts, 15, Smyrk's-road, Old Kent-road, S.E.
R. Harrington, 40, Halstead-street, Brixton-road.
G. Goodson, 15, Golden's-place, Chester-street, Kennington.

Local Assistant Turncock.

J. Carr, 9, Ingleton-street, Brixton.

Appendix C.

Examples of Annual Charges at Various Rateable Values.

Rateable Value.	Lambeth.	Southwark and Vauxhall.	West Middlesex.	Birmingham.	Glasgow.	Leicester.
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
£.25 House service	35 – 7 p. c. on R. V.	25 – 5 p. c. on R. V.	20 – 4 p. c. on R. V.	24 –	12 6	28 –
			5 – High S. 200 ft. above T. H. W. M.			
2 W. C.'s	15 –	—	—	4 –	–	9 –
1 Bath	10 –	—	—	6 –	–	8 –
			25 –			
			2 6 10 p. c. rebate.			
Water Rate	60 –	25 –	22 6	34 –	12 6	45 –
£.30 House service	42 – 7 p. c. on R. V.	30 – 5 p. c. on R. V.	24 – 4 p. c. on R. V.	32 –	15 –	32 –
			6 – High S. 300 ft. above T. H. W. M.			
2 W. C.'s	15 –	—	—	4 –	–	9 –
1 Bath	10 –	—	—	8 –	–	8 –
			30 –			
			3 – 10 p. c. rebate.			
Water Rate	60 –	30 –	27 –	44 –	15 –	49 –
£.50 House service	65 – 6½ p. c. on R. V.	50 – 5 p. c. on R. V.	40 – 4 p. c. on R. V.	50 –	25 –	48 –
		4 – High S. 10 ft. above pavement.	4 – High S. 10 ft. above pavement.			
			10 – High S. 200 ft. above T. H. W. M.			
2 W. C.'s	18 –	6 –	6 –	4 –	–	9 –
1 Bath	10 –	4 –	4 –	8 –	–	8 –
			64 –			
			6 4 10 p. c. rebate.			
Water Rate	93 –	64 –	57 8	62 –	25 –	65 –
£.100 House service	110 – 5½ p. c. on R. V.	100 – 5 p. c. on R. V.	80 – 4 p. c. on R. V.	100 –	50 –	82 –
		6 – High S. 10 ft. above pavement.	6 – High S. 10 ft. above pavement.			
			20 – High S. 200 ft. above T. H. W. M.			
3 W. C.'s	30 –	12 –	12 –	8 –	–	12 –
1 Bath	10 –	6 –	6 –	10 –	–	8 –
			124 –			
			12 4 10 p. c. rebate.			
Water Rate	150 –	124 –	111 8	118 –	50 –	102 –
£.200 House service	200 – 5 p. c. on R. V.	200 – 5 p. c. on R. V.	160 – 4 p. c. on R. V.	200 –	100 –	144 –
		8 – High S. 10 ft. above pavement.	8 – High S. 10 ft. above pavement.			
			40 – High S. 200 ft. above T. H. W. M.			
4 W. C.'s	50 –	20 –	20 –	12 –	–	15 –
1 Bath	10 –	8 –	8 –	10 –	–	8 –
			236 –			
			23 7 10 p. c. rebate.			
Water Rate	260 –	236 –	212 5	222 –	100 –	167 –
£.202 House service	202 –	202 –	121 2½ 3 p. c. on R. V.	242 5	101 –	120 –
		10 – High S. 10 ft. above pavement.	10 – High S. 10 ft. above pavement.			
			40 – High S. 200 ft. above T. H. W. M.			
4 W. C.'s	50 –	25 –	25 –	12 –	–	15 –
1 Bath	10 –	10 –	10 –	10 –	–	8 –
			206 2½			
			20 7½ 10 p. c. rebate.			
Water Rate	262 –	247 –	185 7	264 5	101 –	143 –

APPENDIX, No. 3.

PAPER handed in by Mr. *Cripps*, 28 May 1895.

REPORT of the Water Committee, 1 February 1895.

LAMBETH WATER.

THE Report of the recent Royal Commission on the water supply of the metropolis has now been in the hands of the Council for more than a year. We have been engaged in considering this Report, together with the evidence laid before the Commission and the Appendices to the Report and Evidence. Reports were made to the Council by our instructions nearly a year ago by the chief engineer, the Parliamentary agent, the medical officer. and the chemist of the Council. These were collated under our instructions, together with a memorandum on the subject by the Chairman of this Committee, and the documents with an index were circulated to the Council in connection with our Report, which was adopted on the 27th of February 1894. We have ordered them to be again circulated to the Council.

"In that Report we expressed generally the conclusions which were the result of our preliminary consideration of the Royal Commission. Subsequent reports which have been made by us will be found as follows:—

Date of Council's Minutes.	Page.
29th May	576
5th June	605
12th June	643
3rd July	750
10th July	773
17th July	802
30th October	1,099

"Further, we held, under the authority of the Council, a conference on 30th July with representatives of various sanitary authorities outside the limits of the County of London, but within the Parliamentary areas of the water companies. At this conference, at which there were present, amongst others, representatives of the County Councils of Middlesex, Surrey, and Hertfordshire, the policy of the Council with respect to the water supply was discussed, with special reference to the best arrangements that might be made for the subsequent supply of areas outside the Administrative County of London.

"We acknowledge the great importance to London of the evidence collected by the Royal Commission. But we do not consider that the main suggestions of the Report are likely to afford a final and satisfactory settlement of the London water question, and we propose to state some of the reasons which lead us to this conclusion.

"The reports and memorandum already mentioned call attention to the limited nature of the reference to the Royal Commission. They were to inquire:—

> 'Whether, taking into consideration the growth of the population of the metropolis and the districts within the limits of the metropolitan water companies, and also the needs of the localities not supplied by any metropolitan company, but within the watersheds of the Thames and the Lea, the present sources of supply of these companies are adequate in quantity and quality, and, if inadequate, whether such supply as may be required can be obtained within the watersheds referred to, having due regard to the claims of the districts outside the metropolis, but within those watersheds, or will have to be obtained outside the watersheds of the Thames and Lea.'

"Those terms of reference practically limited the Commissioners to the question whether further utilisation of the present sources formed a possible solution of the difficulty; and precluded them from going on to inquire whether that was the best possible solution.

"The Commission could not and did not inquire (1) whether a supply could be obtained outside the present source which would be (*a*) better in quality than the present supply; and (*b*) more likely to remain free from deterioration in future. Nor (2) whether such supply would be more ample in quantity than any that the present source could afford, and so capable of sufficing for a longer period of years. Nor (3) as to the relative cost of the two sources. Nor (4) as to the possible sources outside, and the probability of their being occupied by other towns if London delayed.

"The terms of reference therefore excluded the vital question whether, having regard to the whole of these important considerations, it would be wiser to adhere to and develop the existing sources, or to go outside, or to adopt, to some extent, a combination of the two methods of supply.

"The subject of the reference was of such magnitude that it was possibly well that the inquiry should have been limited as indicated; and those who framed the reference to the Commission no doubt had in view that it would rest with the people of London or their elected representatives to decide, having regard to the facts elicited by the Commission, what course should be ultimately taken.

"On the most important subject referred to the Royal Commission, namely, the quality of the water at present supplied to London, the Report of the Commission appears to us somewhat inconsistent.

"Paragraph 178 is as follows:—

> '178. We are strongly of opinion that the water, as supplied to the consumer in London, is of *a very high standard of excellence and of purity, and that it is suitable in quality for all household purposes.* We are well aware that a certain prejudice exists against the use of drinking water derived from the Thames and Lea, because these rivers are liable to pollution, however perfect the subsequent purification either by natural or artificial means, may be; but having regard to the experience of London during the last 30 years, and to the evidence given to us on the subject, we do not believe that any danger exists of the spread of disease by the use of this water *provided that there is adequate storage, and that the water is efficiently filtered before delivery to the consumers.*'

"It will be at once observed that, notwithstanding the approval of the quality of the water expressed in the first sentence, the last phrase points to a danger of the spread of disease which might exist by the use of this water, if there were not adequate storage and efficient filtration before delivery to the consumers.

"In

"In an earlier paragraph (172) the Commissioners find as a fact:—

"There can be no possible doubt that at the present time much filth of various kinds is discharged unnecessarily and illegally into the rivers."

* * * * * * *

"Where sewage works in the valleys of the Thames and Lea have been constructed on an efficient system, the sewage can be so effectually dealt with at all times, *except those of flood*, that the effluents are clear and innocuous."

"Here it seems to be implied that in times of flood the effluents would be neither clear nor innocuous, and that at other times the effluents are clear and innocuous only where the works have been constructed on an efficient system.

"We are aware that all sewage farms and sewage works are liable, through carelessness or accident, to do their work at times with less than proper efficiency."

"Various causes of pollution, which are matters of ordinary observation and require no evidence to support them (for example, the drainage of 1¼ millions of people), render the water of these rivers unfit for potable purposes. These are summarised in the Statement laid before the Royal Commission by Dr. Ashby, the medical officer of health of the borough of Reading, and appended hereto.

"A very similar statement as regards the water of the River Lea was laid before the Commission by another well-known medical officer, Dr. Turner.

"The Commissioners indicate no standard of 'efficient filtration,' considering that it did not come within the terms of their reference to lay down the exact regulations as regards filtration; but after alluding to the fact that before the water can be brought into a suitable condition for delivery and consumption it must be treated by subsidence and filtration, and that the quality of the water after delivery depends largely upon the thoroughness with which they are carried out, the Commissioners state:—

"We cannot shut our eyes to the fact that the provision for these purposes differs enormously in the different companies, *and in some of them is, to our mind, quite inadequate.*"

The conclusion which we draw from this portion of the Report is that in the opinion of the Royal Commission, *provided that the greatest care be constantly taken to prevent such pollution as above described, and provided that efficient systems of filtration be always applied*, the Thames and Lea water can be so treated that its danger as an agency for the spread of disease may be reduced to a minimum, and the water may be made sufficiently good for potable purposes.

We believe that every populous town of the United Kingdom situate upon a large river originally derived its water supply from that river; but in nearly every case the inhabitants, under the most competent advice of their time, abandoned the use of the river for drinking purposes, and sought a purer supply from a source less liable to contamination than a river draining and inhabited and cultivated watershed. The rapid increase of population in the Thames and Lea valleys along the whole length of the streams above the points of intake seems to us to render inevitable the conclusion that a similar course will sooner or later have to be adopted with regard to London. Since the date of the Royal Commission water in a time of flood has been delivered in London even in a state of turbidity and discolouration, and full of suspended matter obvious to everybody. We do not consider it expedient that London should continue so largely dependent on a water which can only be maintained clear and innocuous by artificial means and processes which are now, as the Commission report, "quite inadequate," which demand great improvements at a vast cost, and which even then cannot be always relied upon when applied to the large volumes of water required by London and its neighbourhood.

"Beyond the question of suitability of the water from the Thames and Lea, there is a further question which arises in the Commissioners' recommendations as regards the quantity available. We gather from the Report and evidence before the Royal Commission that, if population increases, as generally anticipated, the quantity available from these sources will not suffice beyond the year 1931.

"In order to meet the deficiency in means of storage and filtration, which appears to have been ultimately admitted even on behalf of the water companies, various schemes were submitted to the Commission. These were condemned, with the exception of certain storage reservoirs on the Lea, and certain others in the neighbourhood of Staines; but with reference to the latter proposal, the Commissioners themselves refer to it with very qualified commendation. They say—

"Broadly speaking, and without committing ourselves to details, we may say that the conception of this Staines scheme of storage commends itself to us as the best which has been suggested."

"With regard to this scheme there is no assurance either (i.) that the large area of land which would be required could be obtained, or (ii.) that the inhabitants of the Thames Valley would assent to the abstraction of water which the scheme involves, or (iii.) that all the London water companies would concur in any such scheme when its costs and details are understood. Nay, it has been practically abandoned by the companies themselves, as most of those who take water from the Thames have already brought forward plans of their own which are inconsistent with it.

"Apart, however, from these considerations, we have carefully considered how far the construction of such reservoirs would be practicable, and the engineer has submitted to us a valuable report on the question of the probable cost of constructing and maintaining a storage of the kind referred to, *i.e.*, one capable of supplying 240,000,000 gallons a day. We have circulated this report to the Council, and give here merely the results he arrives at. He takes two different bases of calculation: (1) the known past expenditure upon the works of the eight existing companies reckoned at so much per 1,000,000 gallons a day; and (2) the estimated cost per million gallons given in evidence lately by the engineers of the various companies in relation to the construction of similar works. On the first basis he arrives at the total capital cost of 21,246,916*l.* On the second basis he finds that the minimum capital cost would amount to 15,000,000*l.* without taking into account distribution. In both cases the annual cost of pumping and maintenance would amount to some 430,000*l.*

"We have repeatedly informed the Council that the engineer is, with a competent staff of assistants, investigating other sources of supply, and we have had several reports from him on the subject. The Council will appreciate the magnitude and complexity of such an inquiry, and the absolute necessity, before any scheme is presented for public discussion as a basis of a Bill, of its being carefully prepared and worked out in all needful detail. Meantime, the data we already possess have satisfied us of two propositions which we do not hesitate to express, namely, that the suggestion of supplying the future wants of the metropolis by a large increase in the amount of water abstracted from the Thames and Lea, coupled with the formation of a vast system of reservoirs, and conditioned as it must be by enhanced precautions for the prevention of pollution and for better filtration, is not one which should, in the best interests of the people be adopted, even in the very doubtful event of its being practicable to all; and that such future supply can, as regards quantity, quality, and relative expense, be far better obtained and furnished by taking the water by gravitation from other available sources.

"For the foregoing reasons we recommend the Council to pass the following resolutions:—

"(1.) That the Council is of opinion that the scheme for a system of storage reservoirs, presented to the Royal Commission on Water Supply by the water companies, coupled with the proposal to abstract large additional quantities of water from the rivers, is not the proper method of meeting the future wants of London.

"(2.) That any further capital expenditure on works in the Thames and Lea valleys for the supply of London should be regarded as of a temporary character, and should be restricted to such improvements as may be for the time indispensable.

"(3.) That the true solution of the problem is the obtaining of the necessary additional supplies from a purer source; and that accordingly the Water Committee be instructed to proceed with the preparation of a scheme to be presented for the consideration of the Council as soon as possible, with a view to an application to Parliament for the necessary powers."

A. Bassett Hopkins,
Chairman.

"APPENDIX referred to in the foregoing Report.

The Causes of Pollution.

"The main river and its tributaries traverse highly cultivated lands, meadow land which is grazed during a portion of the year often adjoining its banks.

Cattle, &c.

"There are numerous watering places for cattle; and many farmsteads drain into the streams, which present innumerable opportunities for pollution by cattle and washings from manured lands, whilst parts adjacent to some canals are often manured with house and other foul refuse from London and elsewhere, and I have seen large deposits of such refuse fouling the streams.

Boats, &c., Trade.

"There are frequently dead decomposing animals, and occasionally dead human beings, in the streams, adding their quota to the defilement of the water; filthy bilge-water from barges carrying offensive cargoes must of necessity be pumped into the rivers and canals along which they ply: there cannot fail to be considerable pollution from the floating population on canal boats, house-boats and other pleasure boats; there is pollution from laundries, tanneries, fellmongers' yards, breweries and paper mills; whilst there are direct sewage and slop pollutions from towns and villages, and effluents from sewage works at various places, as detailed in the following statement.

"With reference to the so-called purification of sewage, it is quite erroneous to assume that because the sewage of any place is cut off from the rivers, as it is termed, and treated by some chemical process or land irrigation, that there is necessarily no pollution of the streams. For instance, although the sewage of Oxford, Uxbridge, and Watford is treated, I nevertheless found much pollution by excessively foul effluents from those places.

"When there is a cesspool-drained place on the banks of a river, there may be some indirect soakage of impurities into it, but I consider the safety of a river, as a source of drinking-water supply, is imperilled to a greater extent when such place is completely sewered, and the effluent from some works of sewage treatment is discharged into the stream, since so much depends upon the constant care and attention bestowed upon the working of the process, whilst it is impossible for continual supervision to be exercised over the works by any public or private body.

Sewage.

"There are sewage farms at Walton, Ashford (the West Middlesex Schools), Eton, Slough, Windsor, Windsor Castle, Maidenhead, Henley, Reading, Moulsford (County Lunatic Asylum), Abingdon, Wallingford, Littlemore and Oxford, on the Thames, and others on the tributaries.

"Independently of these more or less permanent pollutions, there are others of an occasional character which it appears to me cannot be avoided. For instance, in December last, three men were fined at Staines Petty Sessions for having emptied the contents of a cesspool into the Thames, about a quarter of a mile above some of the London water intakes. The Chairman of the Bench is reported to have said—

"That the practice of carrying out offences of this kind, which he doubted not were of frequent occurrence, was most injurious to London water consumers. Having regard to all the facts I have ascertained, and bearing in mind the various chances of pollution which cannot be avoided, however carefully the sewage of inhabited places may be excluded, I cannot but regard the River Thames as an undesirable and unsafe source for the water supply of London."

Council, 12th February 1895.

On the motion for the reception of the report,

Moved by Mr. Westacott, seconded by Mr. Antrobus—

That the consideration of the question be postponed for a week.

Motion for postponement put and declared to be lost.

Original motion carried.

Resolved accordingly.

(1.) Motion made—That recommendation No. (1) be adopted.

Debate arising.

Resolved, on the motion of Sir J. Lubbock, seconded by Lord Farrer—That the debate be adjourned.

The

The Council considered the following recommendations in the report brought up on 12th February :—

" (1.) That the Council is of opinion that the scheme for a system of storage reservoirs, presented to the Royal Commission on Water Supply by the water companies, coupled with the proposal to abstract large additional quantities of water from the rivers, is not the proper method of meeting the future wants of London.

" (2.) That any further capital expenditure on works in the Thames and Lea valleys for the supply of London, should be regarded as of a temporary character, and should be restricted to such improvements as may be for the time indispensable.

" (3.) That the true solution of the problem is the obtaining of the necessary additional supplies from a purer source ; and that accordingly the Water Committee be instructed to proceed with the preparation of a scheme to be presented for the consideration of the Council as soon as possible, with a view to an application to Parliament for the necessary powers.

" Further consideration of the motion—That recommendation No. 1 be adopted.

Amendment moved by Mr. Beachcroft, seconded by Sir G. D. Harris. that the following words be added, " but that in view of the facts disclosed by the report of the Water Committee, which lead to the conclusion that the acquisition by the Council of the water companies' undertakings, together with the promotion of an additional supply, may involve the Council in an outlay of over fifty millions, it is essential, before the Council is asked to commit itself further, that the financial aspect of the whole question should be considered ; and accordingly that it be an instruction to the Finance Committee to report on the estimated effect of the acquisition of the undertakings of the water companies on the county rate, having regard to the recent report of the chief engineer, and to the terms of the scheme for the creation of new stock approved by the Council on the recommendation of the Finance Committee in July last."

After debate, and a resolution that the question be now put,

Amendment put to the vote, and the Council having divided, there appeared—For the amendment, 19. Against the amendment, 62.

Amendment declared to be lost.

Original motion carried.

Resolved accordingly.

(2 and 3.) Resolved—That the several recommendations of the Committee, Nos. 2 and 3, be adopted.

APPENDIX.

LAMBETH WATER (TRANSFER) BILL.—30 May 1895.

CORRESPONDENCE handed in by Mr. *H. L. Cripps.*

(Copy.)

Local Government Board, Whitehall, S.W.,
24 May 1895.

Sir,

I AM directed by the Local Government Board to state that they have carefully considered the representations contained in your letter of the 20th instant, with reference to the action taken by the Surrey County Council in connection with the Lambeth and Southwark and Vauxhall Water Works (Transfer) Bills, 1895. The Board observe that at a preliminary conference, attended by representatives of the district councils interested, it was unanimously resolved that the County Council should be authorised to urge that the waterworks, mains, filter beds, and means of supplying water to areas within the administrative county of Surrey, should be acquired by the County Council in trust for the areas interested ; and that at a subsequent conference, on the 14th March last, which was also attended by representatives of most of the local authorities of the areas in question, a resolution was passed approving of the policy of the County Council in opposing the Lambeth and Southwark and Vauxhall Waterworks (Transfer) Bills, unless the transfer to the County Council of the sources of supply, filter beds, mains, and other means of distribution necessary for the administrative county were secured. The Board understand from the letter of the County Council that the district councils agree in the course which the County Council are taking in the matter ; that the County Council are acting solely in the interests of the local authorities affected ; that there is no desire on the part of the County Council to become a water authority themselves, nor in any way to override the district councils who have the statutory right to be the water authorities for their own districts ; and that they have no intention to make any proposal which could involve any charge on the general county rate except in respect of the present proceedings in Parliament. The Board further observe that it is proposed to leave open for the future decision of Parliament the question as to the manner in which the parts of the undertakings purchased by the County Council under the Bills are ultimately to be dealt with. Under these circumstances the Board do not desire to raise any objection to the policy which the County Council are pursuing with respect to the Bills in question.

I am, &c.
(signed) *A. D. Adrian,*
Assistant Secretary.

Sir R. H. Wyatt,
Clerk of the Surrey County Council, County Hall,
Kingston-upon-Thames.

SURREY COUNTY COUNCIL.

(Copy.)

County Hall, Kingston-upon-Thames,
20 May 1895.

Sir,

LAMBETH AND SOUTHWARK AND VAUXHALL WATERWORKS (TRANSFER) BILLS.

THE Parliamentary Committee of this Council have had brought to their notice the reports of the Local Government Board upon these Bills, and they have carefully considered that portion of those reports which alludes more particularly to the " supply in districts without London."

I am directed to acquaint you with the proceedings that have taken place in regard to this matter.

In July 1894 the Committee reported to this Council as follows :—

LONDON COUNTY COUNCIL AND WATER COMPANIES.

A communication has been received from the London County Council notifying that they had resolved that eight separate Bills should be prepared for the acquisition by the Council of undertakings of the eight metropolitan water companies ; and further notifying that a conference will be held at Spring Gardens on the 30th inst., at 3 o'clock, of authorities interested outside the county of London. To such conference representatives were invited from this county, and the Committee have to report that they have nominated the Chairman of the Council and Mr. Yool to represent Surrey.

In November 1894, they further reported as follows :—

LONDON COUNTY COUNCIL AND WATER COMPANIES.

The conference with the London County Council and the authorities interested outside the county of London, referred to in the Committee's last report, was duly held on the 30th July, and the Chairman and Mr. Yool attended thereat.

A preliminary conference, held at the County Hall, was attended by representatives from the following bodies :—

East Molesey Local Board,
Kingston Corporation,
Kingston Rural Sanitary Authority,
New Malden Local Board,
Richmond Corporation,
Surbiton Improvement Commissioners, and
Wimbledon Local Board.

And at the conference the following resolution was unanimously passed :—

" It is inexpedient that the water supply of Surrey should be under the control of the London County Council, and it is the opinion of this meeting that the representatives of the Surrey County Council should be authorised at the forthcoming conference to urge that the waterworks, the mains, filter beds, and means of water supply, supplying water to areas within the administrative county of Surrey, should be acquired by the Surrey County Council in trust for the areas interested, and generally that the conduct of the matter be left to the discretion of Mr. Yool and Mr. Halsey as the representatives of the Council."

This view was strongly urged, not only by this county, but by the others interested, before the London County Council conference, at which no resolutions were taken. The representatives of the London County Council were, however, informed that any definite proposals that that Council might make would receive the most careful consideration of this Council, but that they declined to take any part in the preparation of any Bill or Bills.

The Committee recommend that they be authorised to confer with the London County Council upon the basis of the above resolution :

And the recommendation of the Committee was approved by the Council.

Again, in February 1895, they report to the Council as follows :—

LONDON COUNTY COUNCIL AND THE WATER COMPANIES.

The Chairman, with Mr. Bonsor, M.P., and Mr. Burt (the latter of whom the Committee recommend should be added to this Committee in the place of the late Mr. Yool), were appointed to confer with the London County Council upon this matter, and they have had interviews with their Deputy Chairman, Mr. Dickinson, and with Mr. Binnie, the Chief Engineer, both of whom appear to consider that there is no practical difficulty in carrying out the wishes of this Council, and promised that they should receive favourable consideration ; negotiations are going on, and the Committee recommend the Council to oppose the Bills of the London County Council, namely, the Lambeth Water Works (Transfer) Bill, 1895, and the Southwark and Vauxhall Water Works (Transfer) Bill, 1895, and they further recommend that they be allowed to continue their negotiations with the London County Council, and to consult, in case of need, the various local authorities affected in the administrative county of Surrey, with a view to common action for the protection of all concerned :

And their recommendation was approved.

At the meeting of the Council of the 14th instant, the following report was presented and received :—

LONDON COUNTY COUNCIL AND THE WATER COMPANIES.

Petitions against the Bills of the London County Council for the transfer to them of the undertakings of the Lambeth Waterworks Company and the Southwark and Vauxhall Water Company, have been sealed under the resolution of the Council of February last and deposited in Parliament.

In pursuance of the recommendation of the Committee adopted by the Council on the 12th February, the Committee invited a conference with the local authorities of the county interested in the matter on the 14th March. A meeting was accordingly held on that day at the office of Messrs. Sherwood & Co., when the following persons attended, viz. :—

The Surrey County Council.

Mr. E. J. Halsey, Chairman, Mr. H. C. O. Bonsor, M.P., and Alderman Butt.

The Corporation of Kingston.

Alderman Bedford Marsh, Councillor Gridley, and Mr. H. A. Winser, Town Clerk.

The Corporation of Richmond.

Alderman Robinson, Councillor R. B. Smith, and Mr. F. B. Senior, Town Clerk.

The Urban District Council of Surbiton.

Mr. T. Guilford, Chairman.

The

The Urban District Council of Barnes :

Mr. J. E. Anderson, Clerk.

The Urban District Council of Ham :

Mr. J. W. Harker, Chairman.

The Urban District Council of Wimbledon :

Mr. W. H. Whitfield, Clerk.

The Rural District Council of Croydon :

Mr. Francis Tomlin, Chairman, and Mr. J. Wilson, Clerk.

The Rural District Council of Epsom :

Mr. J. Shand.

The Parish Council of Mitcham :

Mr. G. P. Bidder, Q.C., Chairman, and Mr. R. M. Chart, Clerk.

The Parish Council of Thames Ditton :

Mr. J. J. Gossett.

The Parish Council of Merton :

Mr. Alex. Macmorran and Mr. R. D. Duncan.

After explanations and discussion the following resolution, proposed by Mr. G. P. Bidder, Q.C., and seconded by Mr. T. Guilford, was passed *nem. con.*, viz., resolved that—

"This meeting approves of the policy of the Surrey County Council as explained by their chairman, viz., that strenuous opposition be offered to the London County Council's Lambeth and Southwark and Vauxhall (Transfer) Bills, and unless the transfer to the Surrey County Council of the sources of supply, filter-beds, mains and other means of distribution necessary for the administrative County of Surrey be secured, and recommends the local authorities in the administrative county to support in Parliament the action of the County Council in furtherance of such policy."

The sub-committee appointed are continuing their negotiation for an arrangement with the London County Council on the lines indicated, but the Committee are not, at this date, in a position to report definitely on the subject.

And the following motion, due notice having been given, was passed :—

"That the heads of agreement now submitted between the London County Council and the Surrey County Council, with respect to the transfer of the undertakings of the Lambeth Waterworks Company and the Southwark and Vauxhall Water Company be approved, and that the same with such modifications, if any, as may be approved by the Parliamentary Committee be sealed, and that subject to the confirmation of the said heads of agreement, this Council do support the said Bills, and that the Parliamentary Committee be authorised to continue to take such steps in both Houses of Parliament as they may consider necessary to give effect to this resolution."

Upon the previous day (the 13th instant) a meeting had been held, a report of which follows :—

SURREY COUNTY COUNCIL.

Dear Sir, County Hall, Kingston-upon-Thames, 21 May 1895.

LONDON COUNTY COUNCIL.

LAMBETH AND SOUTHWARK AND VAUXHALL WATERWORKS (TRANSFER) BILLS.

REFERRING to my circular letter of the 8th instant, I now beg leave to send you a print of the resolution passed at the conference held at No. 7, Great George-street, Westminster, on the 13th instant, together with a print of the agreement submitted to such conference, which has since been approved by the County Councils of Surrey and London.

I am to add that it was clearly understood by the representatives of the Surrey County Council that there were points in the Bills of the London County Council which require amendment in the interest of particular localities, and that special attention would be given thereto.

Yours, &c.
(signed) *R. H. Wyatt*,
Clerk of the Council.

To Clerk of
LONDON COUNTY COUNCIL.

LAMBETH AND SOUTHWARK AND VAUXHALL WATERWORKS (TRANSFER) BILLS.

At a conference of the local authorities of the Administrative County of Surrey, held at No. 7, Great George-street, Westminster, on the 13th May 1895, there were present :—

The Surrey County Council :

Mr. E. J. Halsey, Chairman, and Mr. Alderman C. Burt.

The Corporation of Kingston-upon-Thames :

Mr. Alderman J. Marsh, Mr. Councillor Walker, and Mr. H. A. Winser, Town Clerk.

The Corporation of Richmond :

Mr. Alderman F. D. Robinson, and Mr. F. B. Senior, Town Clerk.

The Urban District Council of Surbiton :

Mr. Thomas Guilford, Chairman.

The Parish Council of Mitcham :

Mr. G. P. Bidder, Q.C, Chairman.

The Urban District Council of Wimbledon :

Mr. W. H. Whitfield, Clerk.

The Rural District Council of Epsom :

Mr. W. S. Brown, Vice-Chairman.

The Rural District Council of Croydon :

Mr. Francis Tomlin, Chairman ; Mr. J. Wilson, Clerk ; and Dr. L. W. Darra-Mair, Medical Officer of Health.

And the Parish Council of Long Ditton :

Mr. Walter Butler.

It was proposed by Mr. Thomas Guilford, seconded by Mr. Francis Tomlin, and carried :—

" That this meeting having heard the terms of the agreement proposed to be made between the London County Council and the Surrey County Council, with respect to the Bills for the transfer of the undertakings of the Lambeth and Vauxhall Waterworks Companies, is of opinion that those terms are satisfactory."

At this meeting of the 13th, and at that of the Council of the 14th, it was distinctly stated that the Council were acting solely in the interests of the local authorities affected, *i.e.*, those within the authorised areas of the two water companies,—that there was no desire on the part of the Council to become a water authority themselves, nor in any way to override those authorities who have the statutory right to be the water authorities for their own districts,—and that they had no intention to propose anything which could involve any charge upon the General County Rate (except, of course, in respect of the present proceeding in Parliament).

I have now to ask the consideration of the Board of the heads of agreement (a print of which accompanies and is marked A.) made between this Council and that of London, upon the adoption of which, by both Councils, the opposition to the Bills was withdrawn.

It will be seen from this agreement, that the County Council have secured the option of taking over from the London County Council that portion of the undertakings of the two companies, *including the sources of supply*, which is utilised for the purposes of the area within the Administrative County of Surrey, and that this option need not be exercised until the 1st August 1897, or the expiration of two years after the price to be paid by the London County Council for the undertakings shall have been fixed, whichever shall last happen.

I am to explain that the reasons actuating this Council to take the steps they have are, *inter alia*, the following :—

(1.) They consider that the Council of another county should not have any jurisdiction within the county of Surrey.

(2.) They consider that by any action of the London County Council this county, or any part of it, should not directly or indirectly be made liable for the cost of providing a fresh supply of water for London, which they apprehend might be the case if the London County Council had any control, however slight, of the water supply available for any part of Surrey.

(3.) That since the establishment of County Councils it is clearly their privilege and duty to do anything in their power for the general interests of the local authorities within their borders.

(4.) That it is impossible for any one local authority to obtain the *source of supply* which is common to all, and that consequently it was the County Council only that could act upon behalf of all.

(5.) That while admitting the difficulty of regulating the legal position *to-day* there would be no difficulty in doing so during the period for which the option runs, either by a Bill in Parliament or by a Provisional Order, constituting the various local authorities a Joint Water Board.

(6.) That it was convenient that the Council should act as an intermediary or broker in the matter, and that possibly, should Parliament sanction the lending of the money by the Council to local authorities, the financial part of the scheme could be economically carried out.

Attention is specially directed to Clause 12 of the heads of agreement as to the obtaining such further powers as may be necessary to carry the proposal into effect.

I am directed to submit this account of the whole matter to the Local Government Board, and to ask them to be good enough to make any comments upon the same as they may think fit, and, as it is hoped and anticipated, to express their general approval of the policy of this Council as being in the interests of those they represent in this particular matter, and further, that they may be favoured with this as speedily as possible, inasmuch as the matter is now before the Committee of the House of Commons.

I am, &c.
(signed) *R. H. Wyatt*,
Clerk of the County Council.

The Secretary, Local Government Board,
Whitehall, London.

Appendix.

Lambeth Water (Transfer) Bill.

Tables referred to in Mr. *A. R. Binnie's* Evidence, 30th May 1895.

Table A.

	Date.	Daily average Natural Flow in Million Gallons, inclusive of the quantity abstracted by the Water Companies.
1884	Five Months—July to November	417
1885	Three Months—July to September	393
1887	Four Months—July to October	393
1893	Six Months—June to November	413
	Average	404 million gallons daily.

Table B.

Flow of the Thames at Teddington Weir, for the Months of July, August, and September, 1893–94.

1893.

	Volume per 24 Hours in Million Gallons.				Daily average per Month in Million Gallons.			
	Actual Flow.	Natural Flow.	Abstraction by Companies.		Actual Flow.	Natural Flow.	Abstraction by Companies.	
1.	2.	3.	4. Daily Average per Month (*see* Note).	5. Per Cent. of Natural Flow.	6.	7.	8.	9. Per Cent. of Natural Flow.
10 July	177·3	287·7	110·4	38·4	285·0	395·4	110·4	27·9
21 August	141·3	252·2	110·97	44·0	237·7	348·6	110·97	31·8
18 September	148·5	258·0	109·5	42·4	188·8	298·3	109·5	36·7

1894.

9 July	208·8	324·8	116·0	35·7	355·1	471·1	116·0	24·6
22 August	270·0	378·5	108·5	28·7	430·5	539·0	108·5	20·1
17 September	265·5	371·4	105·9	28·5	421·5	527·4	105·9	20·1

Note.—The actual quantity drawn per 24 hours on these dates is not obtainable from official Reports.

TABLE Ba.

THAMES.

TABLE showing Daily Quantities of Water claimed or taken from the River Thames above Molesey by Six of the Eight Metropolitan Water Companies, 1894.

Name of Company.	Quantity per 24 hours obtained by Act or Agreement.		Extra Quantity per 24 hours claimed by Agreement with Conservators dated December, 1886.	Total claimed by the Companies per 24 hours.	Daily Average: actually taken by the Companies in 1894.	On Daily Average in 1894 (Col. 5). Quantity taken above or below amount claimed by Act or Agreement in Col. 2.		On Daily Average in 1894 (Col. 5). Quantity taken above or below Total obtained in Col. 4.	
						Above Col. 2.	Below Col. 2.	Above Total claimed in Col. 4.	Below Total claimed in Col. 4.
1.	2.		3.	4.	5.	6.	7.	8.	9.
		Gallons.	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*
Chelsea	By Act of 1875	20,000,000	2,000,000	22,000,000	10,887,243	—	9,112,757	—	11,112,757
Lambeth	By Agreement 1851	20,000,000	4,500,000	24,500,000	20,086,713	86,713	—	—	4,413,287
Grand Junction	By Agreement 1852	20,000,000	4,500,000	24,500,000	18,403,773	—	1,596,227	—	6,096,227
Southwark and Vauxhall	By Agreement 1852	20,000,000	4,500,000	24,500,000	29,411,534	9,411,534	—	4,911,534	—
West Middlesex	By Act of 1866	20,000,000	4,500,000	24,500,000	19,068,399	—	931,601	—	5,431,601
East London	By Act of 1867	10,000,000*	None	10,000,000*	5,933,709	—	4,066,291	—	4,066,291
TOTAL of the above six Metropolitan Water Companies		110,000,000	20,000,000	130,000,000	103,791,371	9,498,247	15,706,876	4,911,534	31,120,163
			(Col. 2)	110,000,000	—	(Col. 6)	9,498,247	(Col. 8)	4,911,534
			(Col. 3)	20,000,000	—	Total below 110 m. g.	6,208,629	Total below 130 m. g.	26,208,629

* "Except in times of flood"—Sect. 21, Act of 1867 (Thames Supply).

APPENDIX, No. 4.

PAPER handed in during Evidence of Sir *John Lubbock*, Bart., M.P., 18 June 1895.

APPENDICES A. and B.

MEMBERS PRESENT:

Mr. Ainsworth.
Mr. Baldwin.
Mr. Burnie.
Sir James Kitson.
Mr. Muntz.
Sir H. Stafford Northcote.
Mr. David Plunket.
Mr. Briggs Priestley.
Mr. Philip Stanhope.

The Right Honourable DAVID PLUNKET, in the Chair.

APPENDIX A.

LONDON COUNTY COUNCIL.

LONDON WATER SUPPLY BILLS.

County Hall, Spring Gardens, Friday, 8 May 1891.

CHARLES HARRISON, Esq., Chairman of the Water Sub-Committee of the London County Council, in the Chair.

Members of Council Present:

The Right Honourable Sir J. Lubbock, Bart., M.P. (Chairman of the Council).

Sir T. H. Farrer, Bart. (Vice Chairman of the Council).

Mr. Haggis (Deputy Chairman of the Council).

Mr. W. H. Dickinson (Vice Chairman Parliamentary Committee).

Mr. W. B. Doubleday (Member of Water and Markets Committee).

Members or Representatives of Local Authorities:

Mr. F. Dixon-Hartland, M.P., Middlesex County Council.

Mr. J. Howard, M.P., Middlesex, Tottenham Division (Middlesex County Council).

Mr. H. Stephens, M.P., Middlesex, Hornsey Division (Middlesex County Council).

Mr. R. D. M. Littler, C.B., Q.C., Middlesex County Council (Chairman).

Mr. Garner, Uxbridge.

Mr. Fred. Piggott, Richmond, Surrey.

Mr. R. Gordon Mullen, Bromley and Beckenham Local Boards, Bromley Rural Sanitary Authority, and West Kent Main Sewerage Board.

Mr. H. May, Bromley Rural Sanitary Authority and West Kent Board.

Mr. Alfred Williams, Bromley Rural Sanitary Authority and West Kent Board.

Mr. H. Marten Turner, Watford Local Board and Watford Union Rural Sanitary Authority.

Mr. W. Bell, Beckenham, Molesey, and Central Middlesex.

Mr. W. M. Ellenor, Southgate Local Board.

Mr. Wm. Cole, Suburban Districts Water Supply Committee.

Mr. C. E. Baker, Beckenham, Bromley, Dartford, and other Authorities.

Mr. Walter George Austen, Deputy Clerk of the County Council of Middlesex.

Mr. Walter B. Whittingham, Essex County Council, Chairman Local Board of Walthamstow.

Mr. James Bigwood, County Council, Middlesex.

Mr. C. E. Wilson, East Ham Local Board.

Mr. George B. Carlton, C.E., Beckenham Local Board.

Mr. G. Houghton, Clerk, Walthamstow Local Board.

[From the Shorthand Notes of Messrs. *J. Moore & Son*, 38, Parliament-street, Westminster.]

Mr. *Dixon-Hartland.*] Mr. Chairman, will you be so kind as to take Middlesex first? There are several Members of Parliament here, and we have to get back to the House.

Chairman.] Certainly.

Gentlemen, I happen to fill the place of Chairman of the Sub-Committee of the Council on Water Bills, and this meeting has been called with a view to see if we can effect an arrangement so as to present a united course of action to the Parliamentary Committee on the Vestry Water Bill. Mr. Cripps, the Parliamentary Agent, has just been sent for by Lord Morley, otherwise he would have been here. He has formulated some heads of proposals, which have been sent out and circulated amongst you on this subject. Mr. Cripps, I believe, framed those proposals based on a conversation that he had with many of you who are present, and other gentlemen also who are not present. Of course, the whole object of our meeting to-day is to see if we can by conference get some common principles, so that the Council may in the Committee Room represent them as the principles which are agreed to, both inside and outside the areas, on the point. I understand that the notice which has been sent out has had appended to it heads of proposals for dealing with this question, and therefore we are not approaching the subject entirely without materials for discussion. The Deputy Chairman is here; the Chairman of the Council will return from the House and be here in a few minutes, and we shall be very glad to hear your views as to whether any proposal or proposals can be made on the basis of these proposals.

We have received in answer to our summons a letter from Sir Richard Nicholson, saying that he has found it impracticable to convene a meeting of the Hertfordshire County Council to-day, and the Chairman cannot attend the meeting at 3 o'clock. "I had hoped to have attended the meeting myself, but was confined to my room by a feverish cold," and so on. "I am not authorised to offer any observations on the proposals contained in the heads except No. 2, which I have reason to believe will commend itself to the Hertfordshire County Council." The City Remembrancer writes that they are unable to attend here, and he says, "The corporation hope that the supply to the outside authorities in bulk, and the distribution by them to the consumers in their respective districts, may prove a solution of what is admittedly a very difficult question, and one on which they feel that the greatest weight is due to the views of the outside consumers." Then there is a further letter from Mr. Wilson, representing the East Ham Local Board, stating that he will attend, but that such attendance is not in any way to be taken as binding on the Board that they approve of the suggestions therein contained. He suggested to-day to Mr. Cripps, whether it would not be advisable to have a print made of what takes place to-day, and sent round to the authorities. In accordance with that suggestion Mr. Cripps has directed a shorthand note to be taken of what takes place, not in any way to bind any of the authorities, but in order that we may have a record of what takes place for reference hereafter.

Now, Gentlemen, you have the printed paper before you, and I would invite any observations to be made upon these proposals, so as to see whether any common principle can be accepted.

Mr. *Littler.*] Mr. Chairman, with regard to these proposals, the County Council of Middlesex have not had an opportunity of meeting; but we have a Consultative Committee, consisting of Members of Parliament for the different divisions, with myself, for the purpose of watching what takes place from day to day, and we naturally have carefully considered these heads of proposals, and we have considered them with every desire to do what we can to forward the views of those who represent the County of London in the matter. We have not had time to formulate to our own minds how far in their present form these different heads of proposals would or would not entirely meet our views; but I think it will be shorter to let you know what are the heads of propositions which we think are desirable to be considered so far as Middlesex is concerned.

Our view with regard to Middlesex is—taking as an illustration of what I am going to suggest as to a general policy—that any such suggestion as that the Rickmansworth Water should be taken away from Middlesex and brought into London would be entirely unacceptable. We have formulated three heads under which we think our needs ought to be divided, and which we think are essential to any satisfactory proposal dealing with this question. We are quite desirous of assisting in every way in the solution of the great question of the London Water Supply. It must not be supposed from anything that I say that we are in the slightest degree desirous of obstructing or interfering. At the same time we must take care of our interests. The three heads under which we think our needs ought to be divided are, first, that no scheme shall be acceptable to Middlesex which does not provide for no further water being abstracted from the Middlesex water.

Mr. *Haggis.*] When you say no further water, you mean nothing beyond what is now being taken?

Mr. *Littler.*] What is now by law capable of being taken. We want the independent control from the beginning by Middlesex; first, of their source of supply; secondly, of their service; and thirdly, absolute non-interference with Middlesex, either as to rating or otherwise. Those are the three heads which we think will meet our views.

With regard to the source of supply, I may point out that, so far as the Thames is concerned, and especially one company on the Thames—the Grand Junction Company—the intake is in Middlesex, and a very large proportion of the supply is in Middlesex. Our view is that it would be possible to have such an arrangement made between ourselves, and whatever may be the ultimate London authority, as would not in the slightest degree interfere with London getting its supply, and, at the same time, would not interfere with our securing our fair share of that supply for that portion of our district which is supplied by the London Companies.

I may give another illustration. The New River Company are abstracting from wells at New Southgate and Edmonton very large quantities of water which is at present used to a very considerable extent in supplying those two districts. That being water absolutely taken from Middlesex we think it should be left in our hands for the purpose of supplying Middlesex. I give those illustrations as showing that all we desire is to do that which it is our business to do—to protect our own ratepayers' interests without in the slightest degree interfering with the larger scheme of London.

The third head is, that so far as rating is concerned, or in any other respect, we feel that very much the same principle ought to be applied which is applied with regard to other matters, such as Lunatic Asylums, and so on. The principle that each county should manage its own affairs is applicable here. We think that could be carried out without interfering with the important rights of London, and the duties of the London County Council.

Those are the comments which we make upon those heads. I do not see myself that there is any reason why those questions should lead to any very great divergence of opinion.

Mr. *Dixon-Hartland.*] Mr. Chairman, I have always taken a considerable interest in this water supply of Middlesex, and I think every Bill in the House of Commons which has been moved lately has been moved by myself. The House of Commons is quite determined that no more water should be taken out of the Thames than is authorised by law. I think you can take that as a positive fact. And I think you may take it that they will not have the sources of the Thames cut off before they reach the Thames, which is the same thing as if they were to take out more water than they are authorised to do. You will remember that, the year before last, the Grand Junction Waterworks Company brought in a Bill to tap the Thames at Dawley. An enormous supply was to be taken from Dawley, which ran into the Thames. I moved the opposition to that Bill in the House of Commons, and I gave the figures of the exact amount that was supposed to run into the Thames from these Dawley Wells. I gave those figures from scientific evidence, and the House, by two to one, decided that they would not allow it to take place. They distinctly stated in all the speeches that were made that the Thames should be no more touched. The scheme you have before you at the present minute is to tap the Colne and all its tributaries. If the scheme which you have before you, which is what you may call the Rickmansworth Water Bill, is carried out, you will find that one-fifth of the supply to the Thames is gone. We have had the amount of the water that flows into

into the Thames from the Colne taken, and one-fifth goes into the three branches which lead to the Colne. The Rickmansworth Water Company have actually advertised for new capital, on the ground of the Bill which has been brought forward. They say that the sanction to the proposals of the London County Council will enable them to sell the whole of their water to the London companies, and will, in fact, put an end to the supply into the Thames from the Colne. I think that it will be misleading you if I say anything which causes you to think that the House of Commons will agree to that in any shape or form. We are satisfied that the water in the Thames is lower than it ought to be. We have had this attempt to make the floating lock and weir at Richmond on purpose to try and save a little of the water. I think the feeling of the House of Commons is absolute and determined that they will not allow any more water under any circumstances, directly or indirectly, to be taken from the Thames or its basin. Therefore, if you come forward with any scheme which will have that effect, you are simply courting defeat in the House of Commons. The only way in which I believe you can manage it, and the way which I think will be perfectly satisfactory to London, Middlesex, and to all parties, is by an independent supply. The House of Commons, when the debate was brought on the other day, took that subject up, and it was universally on all sides agreed that London must have a separate supply. Whether it was to come from the Welsh mountains, or whether it was to come from Derbyshire, was left an open question, but the feeling was, and I think my colleague will bear me out, that any other scheme that was brought forward would be only patching things up for a short time. It was doing a great detriment to the neighbourhood and others, and the larger scheme would have to be taken sooner or later. We should insist upon having a larger scheme at once. I have taken the liberty of mentioning these things, because I think it is wise, at any rate, to tell you a little as to what the real feeling is. It might have an effect on your judgment as to the way in which you frame your Bill. You may take it from me, without question, that if you bring in a Bill for a separate supply, you will have the support virtually of the whole House of Commons, and there will be no question at all that you will pass your Bill, and you will not interfere with Middlesex then, and all these other areas will have no object in opposing you. You will be left to yourselves, and I hope you will find that that is the only course which is satisfactory both to the citizens of London and to the people all round.

Mr. *Haggis.*] Do I understand Mr. Dixon-Hartland to say that the London County Council had given its approval to the Bill brought in?

Mr. *Dixon-Hartland.*] No; I will send you the advertisement if you like. They say that a Bill has been brought in by the County Council which will enable them to sell their water to the London Water Companies, and therefore they appeal to the public to supply them with more money, which will be very profitably employed.

Mr. *Haggis.*] That is the vestries, not the County Council.

Sir *Thomas Farrer.*] The County Council are guiltless of any such thing.

Mr. *Dixon-Hartland.*] I am not stating that it is not so. All I am saying is, that in the advertisement they applied to the public to give them more money on that ground. I do not insinuate that you had anything to do with it. I tell you that they are holding out that, in consequence of your Bill, they want more money, which they say they can make a profit on.

Mr. *Haggis.*] In our Bills we are opposing them with all our might.

Mr. *Dixon-Hartland.*] They drag your name into the advertisement. I am sorry that Sir John Lubbock was not present to hear what I said about an independent supply. I am quite sure he would bear me out that the feeling of the House of Commons is that there has been quite enough taken out of the Thames, and that there ought to be an independent supply.

Sir *John Lubbock.*] I am sorry I was not here earlier. I may say that I believe the feeling of the House of Commons would be in favour of that.

Mr. *Howard* (County Council of Middlesex).] I only wish to support the views that have been laid before you by the chairman of our County Council, and by Mr. Dixon-Hartland. I concur most sincerely as to the feeling of the House of Commons about the independent source of supply. I only wish to put before you specially the case of the Lee Valley. I think the House of Commons is equally determined that no more shall be taken out of the Lee itself, and as I see that there is some intention or some idea of deepening the wells in the chalk there, we oppose that as far as we can, as it interferes with our independent sources of supply in the district which I represent. Therefore, I hope that the course taken by the London County Council will be that suggested by my colleague, of an independent source of supply.

Mr. *Whittingham* (Essex County Council).] Sir, as chairman of the Local Board of Walthamstow I summoned a conference. At that conference we had the benefit of the presidency of Sir Henry Ibbetson, and at that conference we had a very full representation from all the districts round London. I am also on the Essex County Council, and I wish to speak on behalf of that council, as far as I can individually speak. There has been no meeting of the council; its chairman would have been here to-day only he is compelled to be at Chelmsford at the meeting of the council. I can speak for him and the conference, and the council, so far as the resolution passed there connects the council, and I say that they all take the one strong point; that there should be due representation of the outer districts upon whatever be the water authority. I can only say that, so far as I know, nothing at present seems so favourable to them as this sketch which you have been good enough to send round. It has not been placed before my local Board; there have been no particulars before them. Without committing the Board, I should like to appear here to-day to say that generally it seems to come nearer to the understanding that we wished for. We had it, unquestionably, that the second paragraph must have full attention. I certainly beg to endorse everything that has been said on behalf of Middlesex, and on behalf of Tottenham. We feel strongly that the Lee should not be further tapped; but we do feel this, and this is a point that I should like to ask your consideration of, seeing that the artesian well supply is the supply of our own district, it would be rather hard lines to have to part with that to the central authority, and then have to purchase it back again. We consider that in our district, and probably it is the same in others, there are two sources of supply. Those sources are mixed, and they get, as they mix, worse. Therefore, it would be advantageous to a district like ours to retain its own supply from artesian wells, which from all one learns would be adequate for such districts as lie in Essex. That is the one remark I should like to make upon that, that to part with it and then to have to purchase it back again would be the reverse of what we think is the right position, namely, that we should have the option of retaining the sources of supply for our own district.

Then we should like to urge, that as far as representation goes, it should be a representation which would have full knowledge of what was going on. That is why, in the County of Essex, I think there is a very strong opinion that there should be direct representation either upon a water trust, or upon an executive which would be an independent authority or a body like the County Council of London, which is recognised as the natural body to undertake the matter, which would appoint such a committee that we could have a representation upon it, and not have our views beaten out by the vote of the Council. I admit that there is a very great difficulty, but we say that this appears to bring the matter nearer to a direct issue than anything which has come before us at present.

Mr. *Littler.*] I should just like to say one thing with regard to Middlesex; I think I am right in saying that with the exception of one authority in Middlesex, we represent not only the County Council, but all the 30 authorities. There was one authority which said it was in favour of the Vestry Bill; that authority is one which is supplied by the East Barnet Water Company, and it has not the slightest interest in the matter.

Mr. *Gordon Mullen.*] I attend here to represent some two or three of the Kent authorities. If we are going to discuss the proposals as they stand, I would venture, with your permission, to place our views before you with regard to head of proposal No. 1. I should like to suggest, on behalf of the authorities that I have the honour to represent, that proposal No. 1 will be acceptable to them if it could be slightly amended. It is "That the system of water management and distribution, as generally adopted at the principal provincial towns, would be preferable for application to London and neighbourhood, rather than the 'Trust' system as proposed by the pending Bill." I am going to invite the attention of those present to this, and to ask whether you would strike out the words "as generally adopted at the principal provincial towns," and insert the words "local authorities of the various districts." As far as we are concerned, we agree that the London County Council should be the proper authority for administering the water affairs of the Metropolis, and we contend that we are the proper authorities for administering the water affairs of our districts. We ask that those words should be inserted, and I am authorised to assert, on behalf of the Kentish authorities, that we should be prepared to accept that proposal with that amendment. Following on the words of the last speaker, I can say that there is no desire on the part of the authorities that I represent to have any representation whatever on any Metropolitan Trust. We agree that the authority of the district itself should be the proper authority to control its water affairs, and therefore we should not ask for any representation whatever on any metropolitan authority, but would rather be allowed to purchase our own water supply, and to administer our own water affairs. Therefore, Sir, with your permission, I beg to move that head of proposal No. 1 be accepted as amended in the way I suggested, by the substitution of the words "local authorities of the various districts," for the words "principal provincial towns." The great objection to that word "towns" is, that there are so many systems adopted by the principal towns, that it would rather be confusing than otherwise. If, on the contrary, we commit ourselves to the proposal that the local authority is the proper authority for administering the water affairs of the district——

Mr. *Haggis.*] But if water is supplied in bulk, as we suggest, it would be in the hands of the local authority for distribution and for rating.

Mr. *Gordon Mullen.*] Then there would be no objection to the amendment I propose.

Mr. *Haggis.*] Well, that is the principle.

Mr. *Gordon Mullen.*] That being so, there would be no objection to the amendment, and I venture to submit, with all respect, that it would more clearly express the intention.

Mr. *Doubleday.*] We are acting for a town, and not a local district.

Chairman.] The intention is to follow Manchester and other systems which have been laid down, in which the authority for the management of the water and distribution is the central authority, although it may draw water from outside that area, or may buy up companies which have a jurisdiction outside their own particular area. The object you have in view is intended to be reserved entirely under proposal No. 3, coupled with 4 and 5. No. 3 is "that the supply of water in each district in the Metropolitan water area, outside the boundary of the County of London, should be as far as practicable in the hands of the local authority of such district. Then, under head No. 5, it is proposed to give the local authority outside "the option either of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London Council on terms to be arranged," or "having water supplied direct by the London County Council." The object of Nos. 3, 4, and 5, is to leave the local authority in control of its local works, and certainly the feeling of the County Council, and the desire of the County Council, is not to interfere in any way with the area outside with regard to distribution or otherwise. But it is clear that if the central authority is to purchase works which extend, or an undertaking which extends, outside the area, they must acquire the entire undertaking, and having once got it, and being put to the expense of the acquisition, then every right would be preserved, and every interest would be preserved, in the outside local authority, if they had those powers which are sketched under heads Nos. 3, 4, and 5, and it would only impair the proposal that the London County Council is to be the central authority for the management and distribution of these systems by inserting the words you suggest by giving it to the local authorities, instead of taking, as in the context here is mentioned, that system which is adopted in the principal provincial towns. It has been legislated upon for Manchester, Glasgow, and several other places.

Mr. *Gordon Mullen.*] I quite understand the views that you have expressed, and on behalf of the authorities that I represent we are quite prepared to accept No. 3 as it stands. The only thing that we have in our minds is that No. 1 would be more consistent with No. 3, amended in the way I suggested. Of course, if that does not commend itself to the meeting, I will not push it further. That would leave the London County Council the absolute control of the supply of water to the district.

I quite agree with what the Chairman said, that Parliament would not for a moment agree that the London County Council should be only authorised to buy a portion of the undertaking. Take our Kent waterworks. They supply an area in the district I represent ten times the area of the district they would supply in the metropolis. But if you take over a water company's undertaking in its entirety, you would take it over and arrange with us as to the remainder, or sell to us the remainder. I see the point with regard to that. If the amendment is not accepted I will not push it further, but I still think from our point of view it would be better. It would be clearly more convincing to the outside authorities if the words "as generally adopted at the principal provincial towns" were struck out, and the words "local authorities of the various districts" inserted.

The systems adopted in provincial towns differ in many different ways from one end of the kingdom to the other. The substitution of the words "the local authorities of the various districts," would carry it home more clearly to the outside or extra-metropolitan area which are so vitally interested in this measure.

Mr. *Turner* (Watford Local Board).] Am I right in assuming that the words "metropolitan water area" mean the area of the eight recognised metropolitan water companies?

Chairman.] Yes.

Mr. *Turner.*] Then that puts me out of court.

Sir *John Lubbock.*] I may point out, with reference to Mr. Mullen's remarks, that what we are now dealing with is rather a question of the distribution of supply outside. I do not think there is so great a difference in that respect. The really effective clauses are Nos. 4 and 5; 1, 2, and 3 are rather introductory. Perhaps, if we put in a word in No. 4 that these objects should be effected, so as to cover the first three, to a certain extent that might meet his view. I am rather reluctant to introduce any alteration that can possibly be avoided, as we have other bodies to consider in addition to those that we may have the pleasure of meeting here to day. It is rather awkward to make alterations which may lead to a misunderstanding elsewhere, although we may understand them here. Though I have not the honour of speaking on behalf of Kent, still I live in Kent, and my interests are Kentish interests. The reason why I say this arrangement would be a dangerous one for Kent (which observation, of

of course, applies also to Hertfordshire and Middlesex), is that there is no other body except the County Council which is likely to be able to obtain powers to introduce an Act of Parliament to further a new supply. Unless that is done, I feel, speaking for Kent (and I have no doubt the same is the case elsewhere), wells will be drained more and more, and we shall be more and more deprived of water. The present state of things is bad enough already, and, of course, as population increases it will go from bad to worse. I am therefore anxious on behalf of Kent that there should be a plan arrived at by which we might introduce into the metropolitan area a supply of water from outside.

You are probably aware of the resolution which was passed at the London County Council. Although it is not an absolute pledge, still it indicates, I think, very clearly, what the views of the County Council are in that respect. It was in hopes of being able to carry out an arrangement of that kind that I think it would be desirable if we could come to an arrangement to-day, if possible. I do not think there is any practical difficulty in the words.

Mr. *Gordon Mullen.*] After those remarks, Mr. Chairman, I certainly will withdraw my amendment. It was with a view of making it clearer; but after the remarks which have fallen from Sir John Lubbock, I will not press the amendment any further.

Mr. *William May* (Bromley Rural Sanitary Authority).] Mr. Chairman, I represent one or two authorities in Kent, and I think there is no doubt that we are unanimous on two points. First, that the water supply of the metropolis should be vested in the London County Council. Second, that the water supply of the areas outside the metropolis should be vested in the local authorities outside the metropolis. As far as I can speak, I unhesitatingly agree to the first and the third paragraphs of the heads of proposals.

Now, Sir, I take it that we have all at this conference one common object, and that is that we do not like the Metropolis Supply Bill, and that we would like to have that withdrawn, and I take it that the London County Council would like to go to the Committee, and that they would like to state that they are prepared to take any measure as early as possible to take over the water supply of the metropolis, and to undertake that they would leave in the hands of the local authorities outside the metropolis their own water management. That being so, I have to suggest this with regard to the other clauses, which are open to a great deal of discussion, especially Clause No. 2. Speaking of No. 2, as far as I can gather from the intimations that have dropped from the Committee, it is rather doubtful to my mind whether they are inclined to allow any more time for investigation of the water companies, and to say they may object to that clause. But as to Nos. 4 and 5, as representing the outside authorities, there are so many questions that arise to one's mind as to what shall be the position of the outside authorities, and what shall be the position of the London County Council, that I think it would not be wise to discuss those measures at present. For instance, these clauses lay down, as I understand them, and as I read them, that the London County Council shall buy up all the eight companies supplying water within the metropolitan area, and that they shall simply sell to the outside authorities the distribution works. I am not at all sure that that would be satisfactory, because, speaking for Kent, the district which I represent, I understand that we represent about 130,000 square miles outside, against thirty square miles within the metropolis; and I am not at all sure whether it would not be the duty of the Kent County Council to take away the water supply for a large district like that, and take entire charge. So that, as regards Nos. 4 and 5, I think it is a very grave question whether they should be put forward before the Committee, especially if the London County Council intend to go into the efficiency; and if they come to the conclusion that to efficiently supply London, they must go further afield, into Wales or Cumberland, or elsewhere, then the question as to Kent will never arise. I think that until they have gone into the question of efficiency, Nos. 4 and 5 should be left out, and the London County Council should limit themselves to the two propositions, first, that they are prepared to take the water supply of the metropolis, and, secondly, that they are prepared (and, as I understand, all the authorities outside the metropolitan area are also agreed) to be the water authority for their district. Those are two sound points which I think would commend themselves to the Committee. As far as I can judge, I think the London County Council and all the authorities outside would do well to agree to those two points simply.

Sir *John Lubbock.*] Would it not be convenient now if we were to take these heads of proposals paragraph by paragraph? I think there is a good deal of force in what Mr. May has said, but I think we shall be able to satisfy him if we come to Nos. 4 and 5, that there are stronger reasons for adopting than for postponing them. They would be, perhaps, more conveniently discussed if we were to take the questions paragraph by paragraph.

Chairman.] If there is no other general observation made, I think it would be more conducive to business if we proceeded with these propositions regularly and *seriatim.*

The view that the Council take is, that certainly there ought to be no more water taken out of the Thames. That is at present the advice that is given to them, but that is a matter which must be investigated, though considered before we can purchase, or do anything with reference to the question of purchase. It necessarily bears so very much upon the question of price, as to whether the future supply is to be attributed to the existing water companies, or whether the arbitration is to proceed upon the basis that the future requirements and the future supply may fall, in the discretion of Parliament, into other hands than those of the existing water companies. That is the second paragraph.

Now, I think it would be perhaps paying more attention to business if we took them *seriatim*, and I would therefore submit the first proposition contained in the paper before you. It is "that the system of water management and distribution, as generally adopted at the principal provincial towns, would be preferable for application to London and neighbourhood, rather than the 'Trust' system as proposed by the pending Bill." If you desire to hear Mr. Cripps upon what that general system is in the principal towns, I daresay he will be able to give you the information and tell you exactly the precedents in Parliament on the subject.

Mr. *William May.*] I think we are almost unanimous on this point.

Mr. *Gordon Mullen.*] As a question of wording, would it not be better to have "the establishment of water trusts," instead of the words proposed.

Mr. *Haggis.*] I think it would be better.

Chairman.] Then I will put it to the meeting as now framed, including the amendment of Mr. Mullen—"That the system of water management and distribution, as generally adopted at the principal provincial towns, would be preferable for application to London and neighbourhood, rather than the establishment of a water trust as proposed by the pending Bill."

(The motion was put to the meeting and carried unanimously.)

Now, the second question is: "That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency of terms of purchasing all or any part of the undertakings of the water companies." On that proposition Sir Thomas Farrer may make a few observations, and then we will open the matter for general discussion.

Sir *Thomas Farrer.*] What has led the Council to this consideration are the following arguments: If we are to go as the Vestries Bill proposes, if we are to be compelled to go into an immediate purchase of the water companies, the question will arise, what are we purchasing and what is its value? Its value really depends perhaps, more than

anything else, upon a variety of circumstances, upon the whole state of the plant and undertaking of the water companies, and above all, on the efficiency of their present supply and sources of supply. If we are to be obliged to purchase by arbitration at present, and without knowing whether we are going for a future supply, the arbitrator would be in the greatest possible difficulty. If he were to have to go into the question whether London will have to go for a future supply or not, you would have to put into the hands of the arbitrator a question which is really a question for this Council and Parliament, and of the utmost possible difficulty. If, on the other hand, he were not to go into that question, he would be obliged to give the companies terms, as Mr. Smith under Lord Cross' scheme proposed, founded upon the present market value of their shares on the Stock Exchange, or upon the amounts which, rightly or wrongly, they have been recently distributing as dividends, and then the result would be that London would have to purchase at an enormous price (as Mr. Smith proposed) the present companies, and then having done that, and having purchased these companies as if they had an indefeasible, indestructible, perennial, source of supply, immediately they would have to go to Parliament and spend 15,000,000*l.* more for bringing a supply from Wales, or from some distant district. Now, if we have to go for that distant supply, and the feeling of the gentlemen here is rather that we shall have to go for it, surely we ought to do that in the first instance. If that has to be done at all, it must be done by some central authority. If they are to do it, let them do it themselves, and then let them come to the companies and say, "Here we have an independent supply, we are willing to pay you the real value of your undertaking, but we are not willing to pay you an extravagant price for supplies which may prove to be insufficient." For these reasons the Council have determined that the question of the investigation of the new source of supply must precede the investigation of the terms of the purchase, and we trust you gentlemen will be of the same opinion as we are on that matter.

Mr. *William May.*] I have merely one or two observations to make upon that point. It is really a question for the County Council. If they think it desirable that this second paragraph should remain, well and good. Possibly, if it remains, they would not mention it to the Committee; the point that I mention is this: the Committee, from what they have thrown out from time to time, seem to take it for granted that something is to be done, and they do not seem, as far I can gather, inclined to wait for further investigation. If the London County Council think differently, and think it is desirable that that clause should remain, I have not another word to say; I only point it out as a matter of policy before the Parliamentary Committee.

Sir *Thomas Farrer.*] The Committee have not committed themselves in any way. I have been reading what they have said, which is much more qualified when you come to read the whole of it, and besides, the Committee have not yet heard our evidence. They have to hear our case, and their opinion may be a very different one when they have heard our case.

Mr. *William May.*] I have been in the Committee Room every day, and I think you can judge far better by hearing what is dropped by the Committee than when you read what they say. The tone has a great deal to do with it when one is watching the progress of a Bill like this.

Chairman.] The Council consider this a fundamental point. They desire the assistance of districts outside in every possible way in showing for many reasons that it is physically impossible to give a larger quantity of water than what is now drawn from the existing arrangement. If you can assist the Council in that way, by that class of evidence, we certainly shall be much more hopeful of the defeat of this Vestry Bill than without it.

Mr. *William May.*] Oh, no. I only point it out as a matter of policy.

Mr. *C. E. Baker* (Beckenham, Bromley, Dartford, and other authorities).] I would point out that this question ought to be shelved for the present, until we have heard the evidence which the London County Council are going to give. It seems rather premature for us to pass a resolution on a supposition which we know nothing about. Moreover, I should like to point out this: I think the authorities who are represented here have very little interest in this question. Most of those who are present represent Kent. I think Kent is almost entirely represented here. The other authorities that I am aware of that are represented here are Essex, and I think they are satisfied with their supply—the East London. Therefore it is only the other supplies, that is to say, those who are supplied by the New River Company, the Grand Junction, the Southwark and Vauxhall, Lambeth and the others, who would be affected by the proposals which the London County Council intend to make, that is, to go to Wales or do anything else to get a further supply. If the London County Council went to Wales and spent 15,000,000*l.* for the purpose of getting a further supply, we in Kent should most strongly oppose such a thing. The water is lying at our feet, and we could get that water and distribute it at a cost of about 2*d.* per 1,000 gallons. Therefore it would be very wrong that we should be called on to pay any part of the expenses of procuring a new supply, which we do not need, from Wales. I therefore think that we ought not to be called upon at this meeting to adopt this resolution, and that if we do adopt it it is not worth very much.

Sir *John Lubbock.*] I think that Mr. Baker, if he will kindly consider the matter a little further, will see that our interests in Kent are not what he supposes. The object of this is that we should not be giving too large a price in buying up the interests of the water companies. Of course, eventually all these districts will, to a certain extent, have an interest in common, and if too large a price is paid to the water companies, it is quite clear the water will cost us more than it would do if we were able to buy them on more reasonable terms. Therefore the interests of Kent in that respect are the same as those of the rest. I am surprised to hear what he says about the water lying at our feet in Kent. Being interested in that county, I rather think it is not desirable that a larger quantity of water should be drained from Kent to supply the metropolis. It is being pumped to a considerable extent at present. Individually I would prefer that that should not be carried on further. The whole question is that we should not be giving too high a price to the water companies. In that respect our interests are identical. The expense of bringing water from Wales or elsewhere if required would not fall especially upon Kent, it should be a matter for the whole of the area. Whether that is done or not, it is clear that it is not desirable to give more than a fair price to the water companies that are bought up. In that the interests of the districts are alike.

Sir *Thomas Farrer.*] It is not a question of bringing water from the outside or not. The question is whether we are to pay the water companies in the first instance for the whole of the water supply, as if there was a perfect supply, and then to have to add to that the price of bringing the water from elsewhere. That affects Kent as much as it does any part of the district.

Sir *Thomas Farrer.*] I do not understand that this gentleman wishes to oppose it, if we think it desirable?

Chairman.] This inquiry would tend necessarily to reduce the purchase money to be paid to the companies if the local authorities outside are to take back again a portion of the property so purchased, the more we reduce the price the more it would be to their advantage and interest. It is obvious that if you go to arbitration for the purchasing of a company's interest, the first question that they would submit would be, "We are in possession of the existing supply; if that is not sufficient we can go to Parliament. We can obtain leave to introduce a new supply, and then that would bring us in so much income upon so much capital outlay. Therefore you, the arbitrator, must discount probable and contingent value of that future interest which we shall get by extending our system." I answer, if we thoroughly investigate the source of supply, we must not attribute future supply entirely to the existing companies. That cannot be done without you thoroughly investigate the efficiency of the present sources. It seems to me that it is a matter in which the interests of those outside the county are absolutely identical with that of those who are inside the county. We do not for a moment contemplate any ground where we have not a common interest in reducing the price to be paid to the water companies.

Mr.

Mr. *Doubleday.*] I presume I am correct in saying that the outside districts will have to buy back their rights on the average of the whole expense on their undertaking, and not the price at which they could get water from their own districts. Therefore, if the whole undertaking of the eight companies could be bought three or four millions cheaper, each district which would buy back their right would buy back their right that proportion lower.

Mr. *Gordon Mullen.*] Surely this is not your ruling. It is not your ruling that you propose to buy up the eight water companies and make a common fund of it, and charge *pro ratâ* on the whole of the fund; that is to say, to take a supposititious or hypothetical case, if we are now buying water from our own wells in our own districts, and paying the company for it, you have to pay an enormous price for buying up the New River Company, and apportion it generally to each district. The proposal is that the value should be made out in a common fund, and charged *pro ratâ* on a district like Kent.

Chairman.] You see it is only giving the option to purchase on suitable terms.

Mr. *Gordon Mullen.*] I should not like it to be placed on record for a single moment that Kent stood up and assented to that, any more than as, if I rightly understood Sir Thomas Farrar, the purchase of water from wells was brought into the metropolis, Kent would have to bear its proportion where it has its own wells, with an ample supply of what is admitted to be the purest water in the kingdom.

Sir *John Lubbock.*] Kent has really very little interest in the matter, we have a sufficient supply. I was under the impression that if the water companies were bought out, and Kent elected to purchase its proportion of it, it would be its proportion at the proportionate price of what was paid for the Kent water companies, independently of what was paid for the New River Company.

Mr. *Gordon Mullen.*] Certainly, that is so.

Sir *John Lubbock.*] More than that, I believe that those gentlemen who represent Kent will see that they have not very much interest in this matter, because there is no doubt that as regards Kent, outside the metropolitan area, we shall continue to have enough water for several years, and therefore we are in a different position.

Mr. *Whittingham.*] That is our position in Essex.

Chairman.] If there is no other observation, I should like to submit proposition No. 2, which is "That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood, must be adequately investigated before any decision can be come to, as to the expediency or terms of purchasing all or any part of the undertakings of the water companies."

(The proposition was put and carried unanimously.)

Now, with regard to No. 3, it proposes: "That the supply of water in each district in the metropolitan water area outside the boundary of the county of London should be as far as practicable in the hands of the local authority of such district, and within the county of London in the hands of the London County Council." Observations have been made upon that; it is unnecessary for me to make a further remark, and I would submit that proposition for consideration.

Mr. *Whittingham.*] I should like to ask how the county authorities would be affected by it? They have authority over the streams and so on, and they look with some jealousy to the County Council taking away their authority. They are not referred to in this paragraph at all. I suppose the county councils in each of the other counties would have a voice, and they would feel as the county of Essex feels, that they should have a representation, perhaps. I do not know.

Mr. *Wilson* (East Ham Local Board).] I take it that the local authority means "local urban authority." You do not mean county council?

Sir *Thomas Farrer.*] Whatever authority has authority, or whatever authority may have authority with regard to the matter of water.

Mr. *Wilson.*] Then that would apply to the urban sanitary authority?

Mr. *Gordon Mullen.*] There is no distinction between "local" and "urban," *quâ* water supply.

Chairman.] I will put No. 3.

Mr. *William May.*] I think it is unnecessary. We all agree to that.

(The proposition was put and carried unanimously.)

Chairman.] Now, with regard to No. 4, Sir John Lubbock has suggested that the word "this" the second word in the clause, should be struck out, and the words "these objects" inserted. Then the clause would read, "That these objects should be effected by constituting the London County Council, in the first instance, the water authority for the county of London, and for the adjoining area now supplied by any metropolitan water company whose undertaking may be acquired by the London County Council." It seems to me that as far as that portion of the proposition is concerned, it flows from the previous resolution.

Mr. *Baker.*] With regard to these two propositions, I think it would be better to take Nos. 4 and 5 together.

Chairman.] If it is the pleasure of the meeting.

Mr. *Baker.*] I hardly think we should discuss them. They are matters of considerable consequence and importance, and I do not think any of the representatives here could bind their authorities to the propositions that are laid down. Of course, how the objects which are set out in Nos. 1, 2, and 3 are to be carried out must be left to Parliament and to future legislation. I do not think we can go any further into this matter.

Mr. *Haggis.*] It is a question of what we should urge upon the Parliamentary Committee now sitting to consider the matter.

Mr. *Baker.*] I think it should be left to future legislation.

Mr. *William May.*] So far as I am concerned with reference to Nos. 4 and 5, which are put together, I should state that in a conference we had this morning, extending, I think, nearly three hours, we came to the conclusion that it was utterly impossible to agree to these terms on such a short notice, but if we had an intimation, or if you had an intimation from the Committee that they desire to go on with the present Bill, and that they would be prepared to give the London County Council the power to do as the heads of the proposals propose, then it occurred to us that we might have another conference, and when you were in a position to agree, and we were in a position to agree, very likely we should come to some basis of arrangement. But at present you are not in a position to agree

to anything, and we are not in a position to agree to anything, and from what we know, the Bill now before Parliament may go to the winds, or perhaps next year we may come again, and then there would be plenty of time to consider and discuss proposals which are in my opinion premature at the present moment. So far as the authority I represent goes, I do not assent to Nos. 4 and 5.

Sir *John Lubbock.*] May I point out to Mr. May that Nos. 4 and 5 are rather important to gentlemen present who represent outlying areas, Nos. 4 and 5 give them an option against the London County Council. We are anxious to do everything that is reasonable and fair, and we are anxious to go before the Committee of the House of Commons with a united front if we are not bound up for time. If we were discussing in the month of October, and there was no Parliamentary Committee sitting, I should say that we had gone as far as we need go. After the friendly explanations which have taken place it would be well for the gentlemen present to go back to their own representative bodies and consult them, and come back again. The question really is whether we are likely to succeed in carrying out Nos. 1, 2, and 3, in which we are practically unanimous. I take it that if Mr. Cripps can go before the Committee of the House of Commons, and say that in substance these terms are agreed upon, and that the gentlemen who represent the outlying areas are satisfied in the main with its advantages, and that something should be drawn from these lines, there is more prospect of getting a Bill through than if we go with a divided front. There are, I think, practically three courses open, either that you should leave the whole supply to the County Council ; take the whole supply yourselves ; or take water in bulk from us, and then distribute it as you please to the residents in those districts. Practically these clauses give you the option of selecting which you prefer. If you do not pass Nos. 4 and 5, then it is possible that the Parliamentary Committee may tie the matter down, and then the option will not be open to you hereafter. I throw it out for your consideration. I should have thought that, as it left the matter in your hands, on the whole you would think it desirable that the County Council should come to some, I will not say agreement, because that is out of the question, but to some honourable understanding that something of the kind should be carried.

Mr. *Baker.*] I beg to propose, that after the words "the London County Council," in the second line, it should read in this way, "that this should be effected by constituting the London County Council with two representatives from the county councils of Essex, Kent, Hertfordshire, and Middlesex." If there were two representatives from each of those authorities, I think that would be deemed satisfactory to the suburban districts. I do not know whether it is practicable.

Mr. *Wilson.*] I may say on behalf of one of the sanitary authorities outside that I do not think that would make any difference, because two representatives from each of the outlying districts would be utterly swamped by the London County Council. Speaking of my own area, I should not be disposed for the County Council to be the instituting authority in the matter. I should not consent to that, unless some change was made in No. 5. The opportunities left for the outlying authorities are "purchasing on suitable terms." That is a vague expression. Suitable means what is agreed upon between buyer and seller, and nothing else. When the London County Council have obtained the water power in their own hands, who has the power of saying on what terms they should distribute their water to the outlying authorities? We decidedly object to such an open thing as this on that account. In place of "suitable" as this is, we should say that it must be "defined terms."

Sir *Thomas Farrer.*] In the provincial the terms are always carefully inserted, and they would be in this case before any Act was passed. It was premature to attempt to put any terms into this resolution, but those terms would have to be settled before any Act was passed, and you would be free agents, and we should be free agents in that matter.

Mr. *Wilson.*] I should think the outlying authorities would be willing to do this. If the London County Council bind themselves down that whatever they do for their districts, the outlying authorities have the same liberty ; that is to say, if you supply at 2*d.* or 6*d.*, or 1*s.* per 1,000 gallons, you let us have the same terms. That will do, or if you have a constant supply we should have a constant supply, or if you improve your source of supply, we shall have the benefit of that improvement.

Sir *John Lubbock.*] I should hope that our chairman would not press Nos. 4 and 5 at all, unless you gentlemen present are anxious for them to be passed. We thought that Nos. 4 and 5 were terms that we were offering to you which are entirely to your advantage, because they give you the option. Supposing you think that the terms which are charged are too large, all you have to do is to supply yourselves. It really leaves the matter in your hands. If you do not like to have it, I do not think we need press it.

Sir *Thomas Farrer.*] I do not think we need press it.

Sir *John Lubbock.*] We certainly always in the City regard the possession of an option as being a valuable advantage. If you do not like to take it, well and good. I speak as being interested in Kent. I hope you will pause before you throw away what I think is an advantage.

Mr. *William May.*] Do you understand that the option means that it is only limited to distribution? If you give the authorities outside the option of purchase, that is another thing altogether. Do you limit the option to distribution?

Sir *John Lubbock.*] If you look at the words you will see that the first option is "purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority;" that is to say, supposing we buy up Kent Waterworks, it would be open, if this is agreed to, to the authorities of the county of Kent to say, "You have bought up the Kent Waterworks, let the London County Council take that portion of the Kent Water Company which belongs to the metropolitan area, and leave us in the county of Kent to take that portion which is in our own area." On the other hand, if they do not like to do that, then we offer to the county of Kent to supply water in bulk, as Manchester supplies water in bulk to the Salford and other authorities. Thirdly, we offer them the opportunity of having water supplied direct by the London County Council, and distributed by the London County Council. It is for the authorities of Kent to say which they would prefer.

Mr. *William May.*] If that is agreed that would remove the great objection that I have. That point was raised this morning. I think the words of the resolution do not convey that.

Chairman.] I can confirm that to be the meaning of the resolution, and I may mention that at a meeting of our sub-committee, before the conference took place, the subject of debate was whether this option imposes too great a liability on the County Council if they were called upon to comply with it. We advisedly assumed and took that liability. It is in no way anything more than an option favourable to the outlying authorities. They are not bound to take it. But supposing we were to obtain an independent supply of a very great quantity at a great expense, they could then come and have all the advantages that we can get, and we are bound to supply them.

Mr. *William May.*] Bound to supply. But are you bound to sell?

Chairman.] Yes ; bound to sell or supply.

Mr. *Wilson.*] But no price is named.

Mr. *Haggis.*] You cannot possibly give a price.

Mr. *Wilson.*] The price may be 5 per cent. in London, and 7 per cent. or 10 per cent. outside.

Sir

Sir *John Lubbock.*] Then you exercise your option. That is just it. If you were bound to purchase you would want to know what the price was. In the other cases where that has been done the price has been regulated so as to leave a slight advantage to the locality that has gone to the risk of getting the water, but only a slight one. Supposing we could not come to terms as to the price, Kent would simply and independently supply itself. It would choose. I think it would be a pity if Kent does not accept this, which I think is entirely an option for their advantage. If they do not wish to do so I do not think the London County Council desire to press it. We thought these were the terms which would satisfy you, and we thought that it was for your advantage to take the first three. If you will take the first three without having the option we do not want to press it.

Mr. *Whittingham.*] Does that mean that we are put altogether, and have no contribution to make, because that is a satisfactory condition for the outer districts? If we could say, "You have a monopoly, and now we can independently supply our own districts," that would be a very advantageous position.

Mr. *Haggis.*] If we bought the eight companies up we should have all the rights of those companies, and if they have any rights of monopoly at all we should have those rights. If you are prevented now from supplying water in your own district, you would still be prevented from supplying water in this new district. With regard to the terms, a gentleman who has spoken seems to have been afraid that the terms might be arranged in an arbitrary way and unfairly. Those terms, as Sir Thomas Farrer has said, would be clearly defined in the Act of Parliament effectuating the arrangement, so that the outlying districts would be safeguarded in that respect. The London County Council would not be masters of the situation, because they would be bound down to supply in bulk to the various outlying districts at certain rates clearly and definitely defined by the Act.

Mr. *Gordon Mullen.*] May I make an appeal to the Committee and the Chairman on this point? Speaking on behalf of Kent, I think we quite clearly appreciate what has fallen from the Chairman, but we occupy a different position. We only received these heads this morning, and we have not had much opportunity of considering them. We at once accede to Nos. 1, 2, and 3. When we enter upon Nos. 4 and 5, we enter upon points which it is impossible for anyone to grasp in a second as to the effects on the district. They may or may not be vital to us. We may be prepared to accept them as they stand. We may be prepared to accept them with slight verbal amendments, or we may decline to accept them. The Parliamentary Committee will not sit again until Tuesday. The Committee has then decided to proceed with the Southwark Bill. That will probably take Wednesday and Thursday. If the meeting will kindly adjourn now, I will undertake to have a meeting of the whole of the Kent authorities interested in this point immediately, and it shall be discussed. We will communicate with your clerk, and we shall be glad to meet you again before the matter is taken up by the Parliamentary Committee. I ask that we should not be taken to be in the position of the County Council at all, but that you should give us a little time to consider the matter. Will you adjourn the matter as to Nos. 4 and 5 till their view is fully and clearly before you, at an adjourned meeting which can be held before the matter is again before the Parliamentary Committee?

Mr. *Cripps.*] The Committee is adjourned to Wednesday next. On Tuesday the Committee are going to take the Southwark and Vauxhall Water Bill. The Bill now under discussion cannot come on before Wednesday, but on Wednesday it must be taken by the Committee, or some good reason given for the postponement of its further consideration. I do not know whether you would suggest that there could be an adjournment of this conference until a later date than Wednesday, or some date before.

Mr. *Gordon Mullen.*] My suggestion was an adjournment until any convenient date. I should in the meantime call together the representatives of the Kent authorities to enable me to clearly express their views at the adjourned conference.

Chairman.] Would it not be sufficient to put a resolution in these terms: "That this meeting, without prejudicing itself absolutely, expresses a general satisfaction at the offer, contained in the resolution"? We clearly understood the London County Council really only made this offer, which they thought was rather imposing liabilities upon them, with a view of meeting the views of the outside local authorities, and we in no way wish to press it at all.

Mr. *Gordon Mullen.*] We do not question the *bona fides* of the Council at all, but, on considering questions of this kind, it is a little necessary to consult the various bodies that one has the honour to represent.

Sir *John Lubbock.*] That is what we really wish for; we wish to go to Parliament in harmony with the authorities outside, so that we may go for what is really the interest of the whole area. Nos. 1, 2, and 3 cover that; we thought Nos. 4 and 5 were offering a boon to you, and something which would induce you to co-operate with us in Nos. 1, 2, and 3. If you wish for further time I am sure we have no desire to press it.

Mr. *Gordon Mullen.*] We only ask for time.

Chairman.] I would submit this resolution, taking only Nos. 1, 2, and 3, and allowing Nos. 4 and 5 to stand in the present state: "That the representatives present at this meeting agree to instruct their respective counsel to lay before the Parliamentary Committee now sitting on the Water Bills their concurrence in the principles involved in the three following resolutions passed at this meeting."

RESOLUTIONS as to Method for dealing with the London Water Question.

"1. That the system of water management and distribution as generally adopted at the principal provincial towns would be preferable for application to London and neighbourhood, rather than the establishment of a water trust, as proposed by the pending Bill."

"2. That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency or terms of purchasing all or any part of the undertakings of the water companies."

"3. That the supply of water in each district in the metropolitan water area, outside the boundary of the county of London, should be as far as practicable in the hands of the local authority of such district, and within the county of London in the hands of the London County Council."

(The resolution was put to the meeting and carried unanimously.)

Then the following proposals were adjourned, viz. :—

"4. That this should be effected by constituting the London County Council in the first instance the water authority for the county of London, and for the adjoining area now supplied by any metropolitan water company whose undertaking may be acquired by the London County Council."

"5. In the event of the undertaking of any metropolitan water company being purchased, any local authority outside the London county boundary and within the area of supply of such company shall have the option, *either* (1) of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London Council on terms to be arranged, *or* (2) of having water supplied direct by the London County Council."

Sir *Thomas Farrer.*] I do not think we shall want an adjournment of the conference. When we get your reports we shall judge whether it is necessary to have an adjournment of the conference or not.

Mr. *Houghton.*] If it is necessary to furnish any further details, the local authorities would like to know the exact terms as soon as possible.

Chairman.] We have not got as far as the Committee of the House of Commons.

Mr. *Houghton.*] As soon as it could possibly be sent round we should like it.

Sir *Thomas Farrer.*] Perhaps you will communicate with Mr. Cripps.

Mr. *Houghton.*] Yes, we should be glad if Mr. Cripps would supplement the statement he gave us.

Sir *John Lubbock.*] There are only three courses open. We give you the option of choosing any one of the three. We cannot do more than that. When Parliament has determined, then of course there will be the details, but they will be put by the Committee in the Act of Parliament. Until the Committee decide, we cannot tell you, because we cannot foresee what will be determined.

Mr. *Cripps.*] We have all felt the difficulty of formulating in a few words a general proposition which will be applicable to all the local authorities round London, because their circumstances differ very much. There are various questions which are involved in some cases and not in others. Almost every case has its own peculiarity. But for the difficulties of every case a solution can be found.

Sir *John Lubbock.*] We have heard to-day that the case of Kent is peculiar, and we find that the cases in other districts are peculiar too.

(The proceedings then terminated.)

Appendix B.

London County Council.

Water Committee.

Conference held at the County Hall on the 30th July 1894, between the Water Committee and Representatives of County Councils and Local Authorities outside the County of London, but within the Area of Supply of the Metropolitan Water Companies.—(Printed by order of the Water Committee, 30th July 1894.)

Copy of Letter addressed to the County Councils of Middlesex, Surrey, Essex, Kent, and Hertford, the Councils of the County Boroughs of West Ham and Croydon, the Urban Sanitary Authority of Richmond, the Local Boards of Chiswick, Acton, Willesden, Hendon, Finchley, Hornsey, South Hornsey, Tottenham, Walthamstow, Leyton, Wanstead, East Ham, Barking, Erith, Bexley, Foot's Cray, Mottingham, Bromley (Kent), Beckenham, Mitcham, Wimbledon, Barnes, Mortlake, and the Kingston Rural Sanitary Authority.

Sir, London County Council, Spring Gardens, S.W., 10 July 1894.

The Council on the 3rd instant resolved that eight Bills should be prepared for the acquisition by the Council of the undertakings of the eight metropolitan water companies, and gave the necessary instructions to its Parliamentary Committee to prepare the Bills.

In considering the terms of the Bills it will be necessary to give due attention to the interests of many local sanitary and administrative authorities outside the County of London, and, in this connection, I am again to remind you of the conference held at this office in 1891, upon the subject of the Water Bills of that Session.

On that occasion a proposal, to which I have already called your attention in my letter on the 15th March last, was made in the following terms: "In the event of the undertaking of any metropolitan water company being purchased, any local authority outside the London county boundary, and within the area of supply of such company, shall have the option, either (1) of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London County Council on terms to be arranged, or (2) of having water supplied direct by the London County Council."

In my letter of the 15th March, referred to above, I intimated to the local authorities outside London that the Water Committee would be prepared to advise the Council to adhere to the proposal. I am now directed to state that, with a view to a discussion of this and other matters connected with the proposed Bills, the Water Committee think it very desirable that there should be a conference with the various authorities interested similar to that held in the year 1891; and I am to invite your authority to depute two representatives to meet the Committee at the County Hall in Spring Gardens on Monday the 30th July, at three o'clock. I shall be glad to receive the names of your representatives at your earliest convenience.

I am, &c.
(signed) *H. De la Hooke,*
The Clerk of the Clerk of the Council.

Copy of Paper circulated to the Representatives.

London County Council.

Water Committee.

Conference with Representatives of Local Authorities outside the County of London, 30 July 1894.

On the 8th of May, 1891, a conference was held at the offices of the London County Council of representatives of local authorities having jurisdiction in the area round the county of London.

At that meeting there appeared to be a fairly unanimous agreement with the policy of the London County Council with reference to the future water supply of the metropolis and the surrounding districts.

The three following resolutions were discussed and carried at the conference, viz. :—

1. That the system of water management and distribution as generally adopted at the principal provincial towns would be preferable for application to London and neighbourhood rather than the establishment of a Water "Trust" system as proposed by the pending Bill.

2. That the question of the efficiency of the present sources of supply for the future requirements of London and neighbourhood must be adequately investigated before any decision can be come to as to the expediency or terms of purchasing all or any part of the undertakings of the water companies.

3. That the supply of water in each district in the metropolitan water area, outside the boundary of the county of London should be, as far as practicable, in the hands of the local authority of such district, and within the county of London, in the hands of the London County Council.

The above mentioned conference took place at a time when there were certain Bills before Parliament dealing with the question of the future water supply. These Bills failed to pass into law, and in the following year a Royal Commission was appointed to consider "whether, taking into consideration the growth of the population of the metropolis and the districts within the limits of the metropolitan water companies, and also the needs of the localities not supplied by any metropolitan company, but within the watersheds of the Thames and the Lea, the present sources of supply of these companies are adequate in quantity and quality, and if inadequate, whether such supply as may be required can be obtained within the watersheds referred to, having due regard to the claims of the districts outside the metropolis but within those watersheds, or will have to be obtained outside the watersheds of the Thames and the Lea?"

During the investigations by the Royal Commission no action could be taken by the Council to forward the matter. The Council has, however, now determined to introduce bills for the purchase of the undertakings of the eight metropolitan water companies.

It is obvious that large areas outside the administrative county of London will necessarily be affected by the proposed bills, and it is thought that the views of the authorities of those areas who are essentially interested in this matter might be obtained upon certain questions of future administration, and the following proposals are submitted for discussion :—

1. That the Council should be placed under the obligation to supply water to the local authorities outside the county, but within the area at present supplied by the metropolitan water companies, upon such terms as may be agreed or decided by arbitration.

2. That any local authority outside the county should have the option either—

(1) Of purchasing on suitable terms so much of the works of distribution as is appropriated to the district of such local authority, with the right to a supply of water in bulk from the London County Council on terms to be arranged; or

(2) Of having water supplied by the London County Council.

Spring Gardens, 27 July 1894.

Proceedings of the Conference.

The following members of the Water Committee were present at the Conference :—

Mr. A. Bassett Hopkins, Chairman of the Committee, in the Chair.

Mr. W. B. Doubleday, Vice Chairman of the Committee.
Sir John Hutton, Chairman of the Council.
Mr. C. Harrison, Vice Chairman of the Council.
Mr. W. H. Dickinson, Deputy Chairman of the Council.
Mr. A. L. Leon.
Mr. John Lloyd.
Mr. Torr.

The following representatives attended :—

Middlesex County Council :

Mr. R. D. M. Littler, Q.C. (Chairman), and Sir F. D. Dixon-Hartland, Bart., M.P.

Surrey County Council :

Mr. E. J. Halsey, Chairman, and Mr. H. Yool.

Kent County Council :

Mr. G. J. Courthope.

Hertford County Council :

Sir J. Evans, Chairman.

West Ham County Council :

Alderman A. Govier and Alderman J. H. Bethell.

Croydon County Council :

Mr. W. F. J. Simpson.

Chiswick Local Board :

Alderman Hardy, Mr W. J. Adamson, and Mr. R. F. Finnis, Clerk.

Willesden Local Board :

Mr. W. Ginger and Mr. J. Stewart.

Finchley Local Board :

Mr. H. H. Wells and Mr. C. F. Jones.

Tottenham Local Board :

Mr. W. Brown, Mr. A. Campion, and Mr. E. Patten-Huggett.

Walthamstow Local Board :

Mr. J. C. Compton and Mr. G. Houghton.

Leyton Local Board :

Mr. C. G. Musgrave and Mr. J. Gallaher.

East Ham Local Board :

Mr. C. E. Wilson.

Barking Local Board.

Mr. C. E. Wilson :

Bromley (Kent) Local Board :

Mr. J. E. Woodward, Mr. F. H. Norman, Mr. S. Hawkings, and Mr. T. E. McIntyre.

Beckenham Local Board :

Mr. C. E. Baker, Mr. H N. Grenside, Mr. F. Stevens, and Mr. J. A. Angell.

Wimbledon Local Board :

Mr J. Townsend and Mr. W. H. Whitfield (Clerk).

Kingston Rural Sanitary Authority :

Mr. J. Clarke and Mr. H. A. Winser (Clerk).

TRANSCRIPT from the shorthand notes of Mr. *E. Howard*, 11, New-court, Carey-street, W.C.

Chairman.] Gentlemen, the London County Council have asked you to do us the honour to meet and confer with their Water Committee upon a subject the importance of which I suppose admits of no two opinions. The Council, as you know, has considered this question of metropolitan water supply during the whole period of its existence, and although it may be supposed that considerable delay has occurred in actually bringing matters to a head, I think that those who have followed the history of the question and the history of the work of the Council in connection with it will agree that that delay is capable of abundant justification. I do not desire to enter into particulars of that matter, but simply to remind you that it was only in the latter part of the Session of 1892 that the London County Council obtained Parliamentary power to introduce Bills for the purchase of the water companies, and now the Council has passed a resolution giving instructions to its Parliamentary Committee to prepare a series of Bills for this purpose, with a view to their introduction in the next Session of Parliament. Now, as we recognise—and of this you must be as well aware as we are—that there are interests of the very first order connection with the introduction of such Bills which are common to yourselves and to us, it will be clear that the object of this conference is sufficiently made out. We ourselves venture to go so far as to think that those interests are not only common interests, but that in substance they are identical interests ; and we hope that we shall be able to satisfy you, or that you will satisfy yourselves in the course of this conference, that that is the case, and that you will possibly see your way, with us, to adopt some common course of policy in carrying out the views which the Council has for the time being adopted.

It is not necessary at this time of day to argue in justification of the policy of the London County Council in this matter. It is not a new departure by any means. The conclusions which the Council has adopted were adopted by our predecessors, and are only the embodiment of opinions which have been expressed by Parliamentary Committees and Select Committees at various times for a long period past. That is not the object of our meeting here to-day ; but our object is, assuming this to be taken for granted, to consider what common course we may adopt.

Now, it is not at all necessary that anything of a controversial nature should be said with reference to the justification. It is not necessary to say one single word by way of attack upon any of the water companies. There have been attacks and there have been defences as regards the quality of the water supplied, as to the quantity of water

water supplied, and as to the prices which are charged ; but it is wholly unnecessary to enter into those questions, because even if we assumed the highest degree of perfection in all these respects, there are still facts that are undisputed which will abundantly justify the course which the County Council of London has decided upon initiating. You have in this matter London lagging behind all the great towns of the country. You have in London alone the supply of water in the hands and under the control of a number of private companies established for their own profit. I need hardly mention that I do not at all state that as a reason for throwing blame upon the companies, but—and it is a fact which public men must consider—the profits which those companies are dividing amongst their shareholders amount to over a million pounds per annum. Then, in addition to that, they have a monopoly ; not (as has often been pointed out) a legal monopoly, but a practical monopoly, because it would be impracticable for any rival of theirs, although there would be no statutory objection to it, to set up any works in opposition ; and even where their districts overlap, they have, *inter se*, arranged a practical monopoly by means of agreements which have prevented them from competing with one another. Then, of course, in another respect they are remarkably favoured over and above other people engaged in commercial enterprises. Their revenues are singularly well secured. Not only is the commodity which they deal in a commodity the demand for which is ever present, but the arrangements which they have been able to get from Parliament are such as to give them singular advantages. They can make their consumers pay the rate in advance under penalty of not having the water laid on. They have also the unusual privilege of taking the law to a certain extent in their hands by cutting off the supply in default of payment. Then the manner in which they raise their revenues is assimilated to that of public rates, and is even called a "water rate" by them, and their demand notes more or less simulate the precepts of public authorities in levying public rates. Then, lastly, there is another peculiar circumstance which has arisen, at least in the administrative county of London, arising out of the Metropolis Valuation Act of 1869, by which they have been able to get, by a sort of automatic increase in the rateable value of properties, a great increase of their revenues without any corresponding increase in the amount of water which they supply, or in any other respect giving an additional value for the additional revenue. All these circumstances I point out, not by way of criticism upon the companies, but as circumstances which it behoves those who have charge of the interests of the public to seriously consider, and which at any rate the London County Council has seriously considered, and which have led that body to the conclusion that this is not a sound state of things from the point of view of the public, and that it is time some effort should be made to put an end to such a state of things.

Now, that conclusion has been come to by the London County Council with a degree of unanimity which is almost startling. Members holding the most varied opinions on every other subject, political or administrative, have agreed in this conclusion, that something should be done to put an end to a state of things in which we have a commodity like water supplied in this great metropolitan area by private companies. If there is a minority in the Council upon that point, it is so exceedingly small as to be almost invisible, certainly to be quite imperceptible. Although this Council consists no doubt of a majority which regards certain questions from one point of view, there is still a very independent minority which regards the same questions from a very different point of view ; but notwithstanding that, on the various occasions upon which this Council has declared its opinion upon any of the questions subordinate to this great principle, there has been absolutely no perceptible or sensible minority who have opposed the general principle that the time has come when an end should be made of this administration of the water supply in the metropolis by private companies.

That being the state of the case, we have to consider this fact, that if you buy the water companies' property, you must buy the whole, not a part. Now, one has heard objections raised to that view ; one has heard people say "Why need you buy the whole ? Why should the County Council of London step out of its own area and interfere with areas which are beyond its control."

One has heard that view expressed, but I confess I have never heard that stated by any authority who has carefully considered the practical bearing of such a proposition. It must be obvious on very little consideration, that such a thing is absolutely impracticable. It would be clearly impossible to induce any Committee of Parliament to give authority to the London County Council to purchase by compulsion that portion of the undertaking of any company which is within its own Parliamentary boundary, leaving unpurchased the portion which is outside. It so happens that in each case the portion in the county of London is the most valuable portion, at least it is the part which yields the greatest revenue. Therefore the companies would come forward with an extremely natural, and as far as I can see, an unanswerable objection to any such proposal, and would say, "If you buy part, and that the best part, you must buy the whole." Indeed, I need not labour this point, because I am quite certain that those who are accustomed to the way in which measures, any part of which involves compulsory purchase, are carried through Parliament, will at once see the futility of any idea of purchasing a part without purchasing the whole.

But then it is suggested, "We will concede that you cannot purchase a part without purchasing the whole, but there is another course that you might have adopted ; you might have got a combination of the London County Council, with the outer authorities, and made a joint purchase on a basis of these outside counties, taking the part which might be attributed to their own areas, and the London County Council taking the part within the county." But that proposal would be equally objectionable, for two reasons : in the first place it would be a matter of extreme delay and difficulty, if not of absolute impracticability, to get all the outer counties to come to an agreement on the point, because I believe that many of these areas really do not wish themselves to become capitalists for the purpose of purchasing, although they are very willing that there should be this transfer that we propose. But in addition to that, the London County Council is able to borrow so much cheaper than other authorities, that it is entirely in the interests of the latter that the body which has the power of borrowing money for purposes of this kind at a lower rate of interest should take the responsibility, and that they should get the benefit of it.

Now, this conference is in reality, as you are aware, a continuation, if I may say so, of what took place in 1891. You have in the paper which has been distributed to you a summary of what took place on that occasion, and a statement of some of the resolutions which were then passed, and the object now is, that you should assist us in considering some propositions which appear upon the paper, as regards what I may call the interlocal relations between the London County Council and the outlying authorities. The necessity under which we are of purchasing property which deals with the administration of the water supply in other areas as well as those in the county of London, together, of course, with the purchase of reservoirs, filter beds, intakes, engines and pumps, and all that kind of thing, most of which are situated outside the county of London, but which form an essential part of the undertakings to be purchased, at once establishes a community, indeed an identity of interests between all these authorities, and the desire of the London County Council now is, that we should put our heads together and see if you cannot arrive at some arrangement.

There are abundant precedents for these proposals all over the country ; our parliamentary agent, Mr. Cripps, prepared a statement, and if you look at that you will find that all the great towns in the country have arrangements with their outlying authorities. Glasgow deals with no less than 16 outlying authorities, and the arrangement between the central town of Glasgow and those authorities happens to be that the Corporation of the City of Glasgow supply in all or most of the areas direct to the consumer. In the case of Manchester, the Corporation supplies no less than 14 outlying local authorities, including the borough of Salford. In some cases the Corporation of Manchester supplies direct, and in other cases it supplies in bulk to the authorities at their boundaries. Bradford supplies no less than 32 outlying authorities. In most of these cases you have a different system, that of supplying in bulk. In Birmingham there are 10 outlying authorities to which the supply is made direct by the Corporation ; so that you have plenty of precedents which give you your choice either way.

Now the principle which the County Council has already placed before you as to their view of the matter is this : that speaking in general terms, and subject to arrangements which we at least desire to have fair as between both parties in each case, the particular authority, wherever it is situated, should have the choice of whether they should take the water from us in bulk, delivered at their boundaries, and should take on themselves the detailed

administration to their consumers, and themselves make what water charges they think fit, or whether they would prefer that we should take the responsibility, not only of supplying the water in bulk, but of its distribution to the consumers, subject, if you think fit, to reconsideration from time to time. Now, these are the general proposals which we make to you, and I shall be very glad to hear any gentleman upon any of these points.

Mr. *Littler*, Q.C.] I daresay some members of the London County Council are aware that we have a sort of voluntary committee, as we call it, of the home counties. We had a meeting of that committee only half-an-hour ago to consider this proposal. The last proposal which is before us is one which is dated from here on the 27th July 1894, and I may remind those who are interested in the matter that the two proposals which are now put forward are identical with those which were put forward in 1891, and on that occasion, so little approval did they receive, that they were both of them adjourned, and I am bound to say that, so far as the County Council of Middlesex are concerned, had we known that these were the proposals, we should certainly not have asked you to spend your time in discussing the matter to-day, because they are absolutely, each of them, to our minds, entirely unacceptable, unless Parliament compels us to accept them.

I am not going to discuss the question of water supply, because, though it is a question that has been discussed, it has never been fully discussed with regard to such undertakings as these companies. Now, as regards these companies, there are several policies which must be pursued; one is to leave them alone; another is to have a regulating Act similar to the Gas Acts; another is to have a water trust, which a great many people rather approve of; another is to purchase and control by the London County Council absolutely. Then there are the two alternatives which you suggested, and there is another proposal which is advocated, and that is, that whatever is done (supposing the purchase is approved of, about which we say nothing) the principle which is adopted in Birmingham should be adopted here; namely, that inasmuch as the sources of supply are beyond the county of London, and are within the counties of Hertford, Middlesex, and Surrey, those counties should have the right, if they think fit, of purchasing, by such machinery as should be approved, the portions of the undertaking which are appropriate to the county. (Hear, hear.) That is a principle which we have adhered to from the beginning, and from which I do not think there is much prospect of the counties varying, assuming always that any case is made out for purchase at all, with regard to which we say nothing, and assuming also that the London County Council are decided to be the proper persons to purchase, with regard to which again we say nothing, because it is not in our province to do so.

I am bound to say that these proposals which are set forth here are entirely unacceptable, not only to Middlesex, but also to Surrey and Kent. When the Committee saw what these proposals were, it passed a unanimous resolution to the effect that these proposals formed no basis whatever for any sort of discussion. Of course the thing is a little premature as yet, because until we see what the whole lines of the London County Council's Bills are, it would not be fair to London, nor would it be proper for any authority outside London, to at once say, "We are opposed to the proposal." We must hear what the proposal is, and I may say, so far as Middlesex is concerned, it will be heard with the greatest possible consideration, with the greatest respect for the opinions which are formed by London, and with the greatest desire to do that which I am happy to say we have done ever since the Local Government Act was passed, of acting as far as we possibly can in harmony with London, and where we are obliged to disagree, of endeavouring, even in our want of harmony, to continue those friendly relations which I am glad to say have existed, and I hope always will exist, between the two counties. Now I am happy to say, so far as Middlesex is concerned, that with the exception of two local authorities, Finchley and Willesden, the whole of the local authorities have left the matter in the hands of the Middlesex County Council absolutely, because they feel that the interests of the authorities are identical with those of Middlesex, and I may say further, now that I have seen these resolutions, that these resolutions were, when they were printed in 1891, regarded with the greatest possible disfavour by all the local authorities of Middlesex. I have been ask to present the view of our friends, and I am happy to say that Kent, Essex, and Middlesex, are unanimous in this matter; and I may further say that so far as Middlesex is concerned, the matter coming up incidentally at our meeting on Thursday, everybody at the council, I think I am right in saying, was of the opinion, although we were not aware that these proposals were coming forward again, that such proposals would not be acceptable to the county of Middlesex or to any of its local authorities. I cannot speak for Willesden or Finchley, because they are here themselves; but I do not think, from what I gather, and from what I know, that their view is at all contrary to ours in regard to the matter; and I may state that Mr. Halsey, on behalf of the county of Surrey, informed me that the local authorities in that county were in accord with the views of the County Council, with the exception of, I think Wimbledon, or one or two others; and I do not know whether their interests are antagonistic, so far as the counties are concerned, for reasons which I think I need not go into this afternoon. We are all pretty much agreed in our general views on water supply, but inasmuch as these proposals are absolutely unacceptable, I do not think that we need go into any discussion of the merits of them, because our mandate is not to entertain any such proposals. I am sorry it should be so, but I am bound to state it frankly to the London County Council, and the more so in consequence of their courtesy in inviting us to come here, although I say at the same time I think that if my council had had these two proposals before them last Thursday, our instructions would have been not to take part in the proceedings.

Mr. *Yool.*] On the part of the county of Surrey I think it right to state that Mr. Halsey, the chairman of the council, and myself had this matter entrusted to us, and we thought it right, having regard to the great importance of the matter, to convene on Tuesday last a meeting of the various authorities of Surrey who were supplied by the Lambeth, or the Southwark and Vauxhall Companies, who are the two companies which alone supply within our area. We had a meeting at Kingston, and the outcome of the deliberations was a unanimous feeling against the London County Council acquiring any rights of supply either directly to the consumers or indirectly by supplying in bulk within our area, and that in any Bills which might be prepared by the London County Council with a view of acquiring the powers of the metropolitan water companies, there ought to be provision made by which either the Surrey County Council or the local authorities, or the Surrey County Council acting for and on behalf of such local authorities, should acquire such powers. Now personally, I may say, and I am expressing what is the view certainly of the sanitary committee of the Surrey County Council, of which I am chairman, and I believe also of the County Council itself; we have no antagonism whatever to the principle of local authorities acquiring powers of water supply. On the contrary, we see very clearly that it is a matter which has become of very great importance, and we are by no means opposed to the views of the London County Council in desiring to acquire such powers. Water is, from a sanitary point of view, a most important element, and we think it by no means undesirable that in every area the power of supply should be vested in the local authority. But entertaining that feeling strongly as we do, and being in the possession of an area the population of which is rapidly increasing, we feel a strong objection to any neighbouring authority, especially one so powerful as the London County Council, acquiring rights within our area such as are now possessed by the metropolitan water companies; and I wish it to be most distinctly understood by the London County Council that no Bill to be promoted, which will give to the County Council power to supply within our area can meet with our support. On the contrary, we shall feel it our duty to oppose such Bills to the utmost. (Hear, hear.) If, on the other hand, clauses can be framed (I know not how they can be shaped, because that would depend partly on engineering questions and partly on various questions connected with the promotion of Bills in Parliament, with which I am necessarily but imperfectly acquainted) so as to thoroughly guard the interests of Surrey, we are not at all opposed to the principle which has been enunciated by the chairman to-day of local authorities, or the London County Council in particular, acquiring rights of water supply within their area.

With these remarks I wish to leave the matter in your hands, otherwise we are entirely in accord with Middlesex. I think you will find it is the feeling through the outlying areas that we should not consent, but that, on

on the contrary, so far from consenting, we should oppose to the utmost our powerful neighbours acquiring such rights as they would acquire if they had the right of supplying water, the most important thing from a sanitary point of view and in every respect, in our districts in the way here proposed. Therefore I have pleasure in supporting Mr. Littler's views, though not altogether upon the ground that he put it, because I cannot go so far as he did as to be opposed to the principle which was enunciated by the Chairman here to-day. But as regards the question of the London County Council acquiring the powers which are here referred to, I am with Mr. Littler completely, and I am sure my council and all the authorities within our county are equally with me, and we shall all join together to oppose these resolutions of the London County Council.

The resolutions which were passed at the meeting to which I allude are these: "That the proposals now submitted by the London County Council to give an option to local authorities outside the county of London to have water supplied within their districts, either directly to the consumers or in bulk to the several local authorities, are not satisfactory to the Surrey County Council or to the authorities in that county now supplied by the Lambeth and the Southwark and Vauxhall Water Companies. That in the event of the London County Council promoting Bills to acquire the undertakings of the metropolitan water companies, such Bills should provide for the councils and authorities outside the county of London having independent control over the sources of supply, and of so much of the undertakings and works as may be required for the efficient supply of the outside districts." Those are the resolutions which were agreed to at Kingston, and those are the resolutions which we, on the part of the county of Surrey, have come here to support, and which we shall be prepared to support in Parliament if we fail to come to some arrangement with you.

Alderman *Bethel* (West Ham).] May I inquire, Mr. Chairman, whether it is the intention of the County Council to create a water trust or to be the water authority themselves? I take it, if there is to be a water trust, you will give the outlying authorities representation on the trust. I should like to know the views of the Council before proceeding with the matter.

Chairman.] That is a matter which has not yet been finally decided upon, but the views of the County Council, so far as they have been expressed, have left the door open for an arrangement by which a committee might be formed, on the analogy, I suppose, of the Technical Education Board, or other committees which have existed, for giving representation to other authorities. I do not think there is any objection to that. I do not know whether I may ask Mr. Yool a question upon his observations, whether his county would be willing to assist us in carrying out the view which he and the other authorities in the district have enunciated of making arrangements in the Bills on the lines which he has stated.

Mr. *Yool.*] We shall be prepared, sir, to give favourable consideration to any proposals which may be submitted by you. Beyond that I have no authority to speak, but so far as that goes, I can promise that we shall give favourable consideration to every proposal on the lines I have laid down.

Mr. *W. Brown.*] There is one matter which I should like to put right with reference to the remarks which fell from Mr. Littler, the Chairman of the Middlesex County Council. It is not quite clear to us how he got the information that the Local Board of Tottenham were in favour of the views that he has put forward.

Sir *F. D. Dixon-Hartland.*] He did not say so.

Mr. *W. Brown.*] I may say we have never in any shape or form wished to dispose of our waterworks at any price whatever.

Sir *F. D. Dixon-Hartland.*] Mr. Littler did not say so.

Mr. *Brown.*] He represented that except Wimbledon, Willesden, and Finchley, all the local authorities sent in their approval. So that I think I am in order in saying that we have not thought of such a thing as disposing of our waterworks. I may say that we consider to-day that we are able to supply our own area. Of course, if we can make terms with any other body to do it for us on better terms, that will raise a very serious consideration; but after having spent a considerable amount of money, about 80,000*l.*, we are informed that we shall be able ourselves to supply the whole of the district, although at the present time, and under the circumstances we have been working since 1851, we have had to have the help of the East London and the New River with regard to a certain part, only a small portion, of the area of Tottenham. Therefore to-day we are certainly in favour of standing on our own rights. The supply we have is undoubtedly pure and good, very much better than we can get from the companies that are supplying within our area, and I question very much if the County Council or the New River, or any company or body of persons can give us better water than we are getting to-day. We are putting up now very large works, and we hope when we have completed those works that we shall be able to pump a million gallons a day, which will be very much beyond what we require. On these grounds we shall certainly be very jealous about handing over our supply to any other body unless we can make very good terms for the benefit of the ratepayers at large. Of course, we as a local board, do not make a profit; we give our consumers the water for what it costs; this, of course the companies do not do; we are all aware of this from what we have to pay for what we have. Therefore I cannot quite understand why Mr. Littler should suggest that the Local Board of Tottenham should be put down as being in favour of certain matters which he has spoken to. I say that we are not, that we should strongly object.

Sir *F. D. Dixon-Hartland.*] The last speaker, Mr. Brown, scarcely understood what Mr. Littler said. Mr. Littler said that the whole of the authorities in the county of Middlesex, as far as he knew, were opposed to the scheme. Tottenham has its own waterwork, and it is not a body which will be interfered with by this Bill of the London County Council. I do not suppose you intend, sir, to take up local waterworks such as that of the Tottenham Local Board, which are not within the metropolitan area. But whether you do or whether you do not, we are perfectly in accord with Tottenham in regard to what Mr. Brown has said. Middlesex feels very strongly that if the waterworks of the metropolis are to be dealt with, those works, so far as they are within the county of Middlesex, must be controlled by the county of Middlesex, and we shall not vary from that, unless we are compelled by Parliament to do so. That is the ground that we take, and that is the same ground that Mr. Yool takes, and every other county councillor here; it is the principle we object to. With regard to details, we shall be quite willing to meet the Council in every possible way. But our principle is this, that in each of our counties we shall have the control of the sources of supply and the means of distribution, and we will agree to nothing else.

Mr. *Wells.*] Reference has been made by Mr. Littler to two parishes in the county of Middlesex, Finchley, and Willesden. As chairman of the Local Board of Finchley, I am here with my friend Mr. Jones, the chairman of the Sanitary Committee, to represent that Board, and I can only say that we claim to exercise our own opinion with regard to these proposals. We think that we have ability to do so, although we are perfectly willing to consider whatever the Middlesex County Council may have to say on the question.

With regard to the parish of Finchley, I may say that we are totally dissatisfied with the present supply that we get. But I am bound to say, having read the papers which have been circulated with regard to this matter, that I fail to see that the London County Council's proposition would help Finchley. Finchley is now supplied by the Barnet

Barnet Gas and Water Company, which has the monopoly of the supply in our district. Now, do I understand sir, that the County Council are proposing to take over the powers of the Barnet Gas and Water Company, and that that is one of the water companies in respect of which your Bills will be promoted?

Chairman.] No. We leave those altogether alone.

Mr. *Wells.*] Then may I ask you how you suggest Finchley is interested in this question?

Chairman.] It is for Finchley to say if they are interested in it. We only propose to deal with the companies which have powers of supply in London, the eight metropolitan water companies.

Mr. *Wells.*] It does not appear that that affects us in any way.

Sir *John Evans.*] I appear here, sir, on behalf of the County Council of Hertford, which up to the present time has not taken into consideration the matters that you have laid before us in these papers. Our county is divided into two portions, east and west. The sources of supply in East Hertfordshire have been already almost absorbed for the purposes of the supply of London, and I have no doubt whatever that when these Bills come before Parliament, that portion of the county of Hertford which will be represented by the whole county will insist upon having the first right of supply of water from sources within the county. With regard to the other side of the county, we are from time to time threatened with the abstraction of water by these different water companies; but up to the present time we have always successfully prevented anything being done. If the water supply of London is handed over to the London County Council, we shall feel that we have a still more powerful antagonist with whom to contend than we have at present even in the water companies, and I must confess that the feeling on the western side of the county was this, that there was some hope that the London County Council, foreseeing the absolute necessity of a better water supply for the metropolis within a reasonable period, would look forward and obtain some subsidiary supply outside the metropolitan area. If the London County Council will undertake to limit the amount of water drawn from sources within the home counties to that which is at present drawn, and if it will undertake to provide from some extraneous sources a sufficient amount of water to make up the deficiency, it seems to me that it will conciliate the counties around London, and place the County Council of London in a far better condition to negotiate with the water companies than that in which they now stand. I am authorised to say nothing on behalf of the county; I am merely pointing out what I believe the feeling throughout the county would be, and I suppose that the only thing we can now do will be to stand and wait.

Mr. *Huggett.*] As a representative of Tottenham I should like to ask you whether the Bills which are to be promoted by the London County Council are yet obtainable?

Chairman.] No, they are not yet filled up.

Mr. *Huggett.*] It seems to me somewhat premature to offer any decided opinion upon the matter until we have seen the contents of these Bills. As you have heard from my colleague, Mr. Brown, Tottenham is the authority for water supply for nearly the whole of the Tottenham district, and so far as we are concerned we are in the position of the gentleman who has just sat down; we are waiting. We want to know what it is that the London County Council really propose, and whether, in fact, those proposals will affect us in Tottenham or whether they will not. Of course, we know they must affect us in some direction, that is, in the direction the last speaker indicated; that is to say, as to the lowering of the springs and the lowering of sources of water, and so on. It may affect us in that way. But with regard to the purchase of our undertaking we are still in the dark. We do not know whether you propose to effect that or whether you do not. We do not even know how you propose to deal with the comparatively small portions of our district which are supplied by the East London Water Company and the New River Company. We do not know how it will affect us. I think my colleague told you that we shall very shortly be in a position to supply the whole of our district with water, and my own personal feeling in the matter is at present, so far as my knowledge goes, to have nothing to do with the matter, because we have nothing to gain, and possibly we have everything to lose.

Mr. *Dickinson* (L.C.C.).] Perhaps I may answer that last point. In the paper that we have circulated we have stated that "the Council has now determined to introduce Bills for the purchase of the undertakings of the eight metropolitan water companies." That limits the consideration of the question. We have determined to introduce Bills for the purchase of whatever rights those eight metropolitan water companies have. If they have no rights in Tottenhan, nothing in our Bills will give us any further rights, and therefore Tottenham and Finchley, and those other districts which are anxious about what may happen, may rest quite content. Now it may appear that the result of this conference is not what we might have expected, but at the same time I must say that, personally, I am very glad we have had this conference (hear, hear), because one of the greatest difficulties in dealing with this question, which is a question of great magnitude, and unlike almost any of a similar nature that has been dealt with before, has been that we knew so little what the feelings of the surrounding counties were with regard to it. Now we have not seen any way to deal with this matter otherwise than by the purchase of the companies. I am sorry Mr. Littler has gone, for I must say I felt inclined to ask him a question suggested by his speech. He has said that Middlesex would not accept this from us, because they insist upon the principle of having the entire supply in their county, and entire freedom in making use of it. But I really would ask them whether they would assist us to some extent by showing us how they could carry out that proposal, because, so far as I can see, speaking for myself, and I believe for the County Council, there is no desire on the part of the County Council to appropriate anything from surrounding counties. Our one desire, which is a desire felt, I believe, by most people, is to get the supply of water in municipal hands somehow or another. We do not want particularly to supply Middlesex or Surrey, and if there is any practical engineering or financial means by which we could so arrange the purchase of the water companies which extend out of our own area into that of the various surrounding counties, we are perfectly willing that such counties should have a perfectly free hand, as free a hand as we want for ourselves. I am sure we should consider any such proposals most carefully.

Then may I say one word with regard to what Sir John Evans has said? He expressed some little disappointment with the London County Council, because it had not taken the course of going for an auxiliary supply somewhere else. No doubt that would have been our wish, but Sir John Evans cannot help seeing that our position with regard to that is materially altered by the report of the Royal Commission. Owing to the pronouncement in the report of the Royal Commission, it would be very difficult indeed to take such a course as that before dealing with this question of the eight water companies. That has been our difficulty. But I do gather from his speech that at any rate Hertfordshire is prepared to consider matters, and to help us in the solution of this great problem. This conference is called in order that we may be able to get the help of outside members, so that we may not, at the last moment, be met with an opposition which would, of course, result very likely, not in securing the objects of members of this conference, but which would very probably secure the objects of the water companies. If the result of this conference is that we can come into closer communication with Surrey and Middlesex and other counties, and see whether some arrangements can be made through our offices, then I feel confident this conference will not be abortive, and I hope that Surrey and Middlesex and other home counties may see their way to volunteer some assistance in the solution of this, the most difficult problem that we can have to deal with.

Sir

Sir *John Evans.*] May I say a word of caution to the London County Council, not to place too great a value upon the Report of the Water Commission. When the Report of the Water Commission has upon the face of it a recommendation to draw from the valley of the river more than that Report shows it yields in certain years, I think that condemns it sufficiently to show that not too great confidence should be placed in the conclusions which have been drawn, apparently not so much by the Commission itself as by an assistant commissioner, who probably was, until he was employed in that matter, but slightly acquainted with this subject.

Mr. *Jones.*] As the Chairman of the Sanitary Committee of the Finchley Local Board, I should like to say one or two words upon this question in confirmation of what the Chairman of our Board has said. Mr. Littler has referred to his having the consent, as I understood, of the various parishes throughout Middlesex, except Finchley and Willesden, to the views to which he enunciated to-day. Well, perhaps that is unfortunate for Finchley; but at all events, we in Finchley think that we are perfectly capable of taking care of our own interests in this matter and we are not altogether prepared to follow the lead of the Middlesex County Council. We are prepared, however, naturally to receive any good which may be likely to accrue to our Finchley ratepayers, no matter, whether it comes from the London County Council, from the Middlesex County Council, or from any other person or body. Now, Sir, the difficulty we have to meet so far as to-day is concerned is this. In the proposal which appears to have been made and carried are these words: "In the event of the undertaking of any metropolitan water company being purchased, any local authority outside the London county boundary and within the area of supply of such company, shall have the option either of purchasing," and so on. Now, Sir, of course, as far as Finchley is concerned, I take it, it is for the County Council to show that Finchley is within the area mentioned. Now, we are supplied by the Barnet Water Company, and though pretty generally well supplied, still there are many defects which we should like to see remedied. But, Sir, as I understand, the Barnet Water Company is not one of the eight metropolitan water companies.

Chairman.] You are right.

Mr. *Jones.*] And if that is so, then I take it that Finchley is not at all interested in this matter. Therefore, we would like to hear from you clearly whether that is so, because, if it is, then Finchley, so far as I can see, need not trouble any further about it.

Chairman.] Finchley is not affected.

Mr. *Yool.*] I may just say one word on behalf of Surrey, in order to clear up a matter. We were most careful in summoning our meeting at Kingston, to limit the summonses to those authorities which were distinctly within the area either of the Lambeth or Southwark and Vauxhall Companies, because it was clear to us that those authorities which were outside those areas had no interest whatever in the matter. It appears that there have been summoned here to-day many gentlemen who represent areas in Middlesex which by no means are concerned with the question we have come here to discuss; but I am happy to say that these gentlemen, having met and very fully discussed the matter, were all unanimously in accord with those views which I have had the honour of laying before you to-day. Now, with a view of bringing something like that accord which has always subsisted between the counties of Surrey and London (because we have no desire whatever to be in antagonism), I would say that if you can frame the matter in some way which will meet the views which we think ought to be insisted upon, we shall be very glad to discuss the matter.

Mr. *Stewart.*] As Chairman of the Willesden Local Board, one of the exceptional Boards which have been mentioned by the Chairman of the Middlesex County Council to-day, I may say that we expect to get a supply of water at cost price. Whatever tends in that direction we shall be pleased to support. But if the London County Council intend to make a profit out of any outlying districts outside of their immense area, we shall certainly oppose them. As to the proposals now put before us we cannot at all understand them. We want to see what your Bills are before we decide whether we shall oppose or support.

Chairman.] Perhaps I had better clear up a point. One gentleman asked whether we could supply them with copies of the Bills. Of course, the Bills are not filled up yet, and one object of this Conference was that we might, if possible, obtain materials for helping us to fill up some parts of the Bills. As regards the conditions, they are public property, and have been for some months, because the Council on the 27th February of this year passed a resolution which gave some idea of the policy which the County Council propose to adopt, and that is that the undertakings should be transferred to the County Council "at a fair and reasonable price, on the basis of a desire to purchase and willingness to sell; having regard to any circumstances and statutory provisions affecting the present and prospective position, income, expenditure, liabilities, obligations, and value of the companies respectively, and their undertakings." Therefore, taking a broad view of all the circumstances which may affect them, that is the policy with regard to the terms of purchase. But with regard to these inter-local difficulties, which are an essential part of any proposal, we hoped, and still hope, for the assistance of outlying authorities. Perhaps I may be allowed to add one word to what Mr. Dickinson said in reference to Sir John Evans' remarks. I feel, for my part, and the Water Committee of the London County Council feel, the greatest sympathy with the views which Sir John Evans has expressed. But then you see that we are advised that Parliament will not consent to our initiating any subsidiary supply unless and until this question of the transfer of the companies' interests has been dealt with. Now, there is nothing to prevent these companies coming forward one session after another for additional instalments in the direction indicated by the Report of the Royal Commission, and it is impossible for us to say that Parliament will not grant these companies additional powers of abstraction of water in spite of any opposition that may be offered. Again, it is undoubtedly well known that the Water Committee of the London County Council, assisted by our engineers, have been casting about and collecting materials for a report to the Council with reference to a question of subsidiary supply; and as to the question that we should undertake to limit the amount drawn from rivers and other present sources to what is now drawn, I say again that we have very great sympathy with that view of the matter, and if we could see our way to carry out the present proposal, and to follow it up with a proposal for a subsidiary supply, there is nothing that would suit us better than carrying out the views of Sir John Evans. I merely mention this to bear out what I said at the start, that in our opinion the interests of the County of London and the outlying authorities are substantially indentical.

Mr. *John Clarke.*] Coming from the borough of Kingston-upon-Thames, I am instructed to say that the corporation of that borough desire to preserve complete liberty of action in this matter, and also to add that there is a feeling in the borough, and has been for many years, that the water supply in the district of that corporation should be in the hands of the corporation independently of any local authorities or companies.

Chairman.] At present are you supplied by one of the companies?

Mr. *John Clarke.*] Yes, by Lambeth.

Mr. *Halsey.*] As Chairman of the Surrey County Council, I should like to thank your Committee for inviting us here to this conference, and I quite agree with the remarks that have fallen from Mr. Dickinson,

that the conference need not be considered by any means abortive. I consider it has been a very useful one, and one which, I think, will further your wishes and those of the outlying areas, but I would simply suggest this, in consequence of a remark which has fallen once or twice. We have said that we should be very happy to consider with you any details which may bring this scheme of yours into harmony with our views; but I look upon the County Council as the promoters of this matter to this extent: that I think you must not ask us to bring our engineers and our legal advisers into the matter for the present. You can command the greatest ability possible both from a legal and from an engineering point of view, and I think, having heard our views, and having known what we want, it will be for those gentlemen to advise you how to meet our wishes, and then, when you have got them into shape, to put them before us for our consideration. I merely want to point out that, as far as Surrey is concerned, I do not think we shall be best pleased if we are called upon to go into this matter from an engineering and legal point of view, *ab initio*. We should like to see it put before us in a more or less concrete shape.

Mr. *Musgrave.*] Speaking of a district which is just outside the metropolitan area, that is the district supplied by the East London Water Company, may I say that we sympathise greatly with the view which the London County Council support, that the water supply should municipalised. The only question with us is as to who should have the control. Looking at our own populous district, and that immediately surrounding it, it appears to us that certainly within the course of the next 12 months the district supplied by the East London Water Company outside the administrative county of London will be greater than the district inside the present administrative county. Therefore, what we say is, that while sympathising with the views put forward by the County Council, if the water supply is to be municipalised, we must be represented, and thoroughly represented, and assist in the control of the sources of supply from which our own water is derived.

Mr. *Baker.*] May I ask for an expression of opinion on the part of the London County Council as to whether they agree that the source of supply should, where it is practicable, be severed?

Chairman.] Of course it will be obvious that matters of that kind require a vast amount of consideration, and it would not be becoming on my part, indeed it would be quite wrong on my part, to express any definite opinion on any point of that kind. There are, for example, intakes which furnish the whole of the supply of some of the companies which take water from the Thames, and to a large extent, not to the same extent, those which take water from the Lee, and obviously there must be some kind of adjustment. How you can divide an intake into two or half-a-dozen passes my present comprehension. It may not be too difficult a problem for engineers, and possibly some joint proprietary might be evolved after due consideration. This I may say: that we have the sincerest desire to arrive at an amicable settlement, especially after the very friendly expressions which have come from the previous speakers as to their wishes to act with us on this point.

Mr. *Baker.*] I expressly said in my question "where it is practicable." In our particular district, Beckenham, we have a source of supply, a well, which would be sufficient for the supply of that district. Now may I ask one other question, and that is, where a portion of the undertaking is to be transferred to the local authority, would it be transferred first hand or second hand, that is to say, would it have first to go through the hands of the London County Council?

Chairman.] That again is a matter for consideration, and one as to which the various authorities differ in their circumstances. But in that case, whatever point of view you take, or whatever part of the enterprise is concerned, the view of the County Council is to meet as far as practicable the wishes and convenience of the district. As regards the well, referred to by Mr. Baker, at Beckenham, I do not think there would be the slightest practical difficulty between the two authorities.

Sir *F. D. Dixon-Hartland.*] I do not know whether it is the sense of the meeting that the discussion should continue any longer, because if it is not I shall move a resolution.

Mr. *Bethell.*] I think, Mr. Chairman, we are all agreed it is desirable that the water supply of London should be under the control of the various local authorities, and the only way out of the difficulty I see is the creation of a Water Trust, and to give the outlying districts some representation upon the trust. Although I have no authority to speak on behalf of the borough of West Ham, still I believe the Council would support your Council, in order to endeavour to acquire the various undertakings on condition that there were given to the consumers in the outlying districts the same terms and privileges as might be given to consumers in the metropolis, and that at the same time representation was given to us upon the Water Trust.

Sir *F. D. Dixon-Hartland.*] I think, Sir, I may move my resolution now. It it one which I am quite sure all my friends in the home counties will agree upon. It is to thank your Committee and you, Sir, for calling us here to-day, to thank you for your courtesy and kindness to us in the chair, and to thank the London County Council generally for their interest in this matter, and for allowing us to meet here. I am quite sure all will agree with me in that.

Sir *John Evans.*] I have very much pleasure in seconding that resolution. We are all indebted to the London County Council for the courtesy with which they have met us, and for the fair and free expression of their views.

Mr. *Govier.*] On behalf of the County Council of West Ham, may I, before that resolution is put, ask you what will be the result of this conference? It seems to me we shall be perfectly justified in holding up both hands in thanking you and the Council for calling us together to consult on this very important matter. But the resolution leaves the matter just in the same place as it was before we met to-day. Could we not embody in that resolution some idea of another meeting, and request the London County Council, or the Water Committee of that body, to take into their serious consideration the idea of a water trust? You, Sir, intimated just now, I think, that the County Council had gone a little way on that path, and it seems to me that is the best solution of the difficulty. We in West Ham are supplied entirely by the East London Water Company. Somebody said just now that the outside area was almost as large as the inside area of that company. I believe the area outside London is very much larger than the area inside. In fact, the East London Water Company supply only a very small portion of the metropolitan area, but a very large portion outside the metropolitan area in the county of Essex. Therefore it is that we feel that it is of the greatest importance that a matter of this kind should be settled on such a basis, if settled at all, as that the outlying districts in Essex (West Ham in particular), East Ham, Walthamstow, and all these other popular parts, should have ample representation on any body who would control the East London Water Company in particular. I am not going to speak of those companies which supply west and north, because that would not be interesting to the Corporation of West Ham. But I think it will be well if you can see your way clear to dissolve us to-day on the understanding that you will further consider the matter, and call us together in say two months' time, at such time as you think fit, with some more definite proposal than you have to-day, so that we shall have something on which we can form an opinion as to the possibility or otherwise of our joining the London County Council in

in its endeavours. We in West Ham, and I believe it is the case everywhere, are anxious to get as much water of the best quality we possibly can, by paying as little for it as we possibly can. (Laughter.) We have already some difficulties with our Company, but we are afraid that we may meet with greater difficulties with a larger body such as you represent. Therefore you must excuse us if we are a little timid in embracing your scheme with that readiness which perhaps you would expect. We have, as I say, already difficulties to contend with, and we are afraid of greater difficulties still as the result of handing over all these important powers to such a large body as you are. Therefore you must excuse us if we are very careful in taking steps in the direction you invite us to take.

(The resolution of Sir F. D. Dixon-Hartland was put by him to the meeting, and carried unanimously.)

Chairman.] I am sure the Committee of the County Council, who have invited you to confer with us to-day, are very much obliged to you, gentlemen, for attending, and for the acknowledgment which you have so kindly passed. Perhaps it is not advisable that we should fix any definite date for any further conference; but I will undertake to say, with reference to the suggestion of Alderman Bethell, that the Committee will very carefully consider what has been thrown out to-day from all points of view. I do not gather that the representatives of the county councils very much favour the idea of a Water Trust. I may remind you that the matter was definitely negatived in the conference of 1891, which passed a resolution, "That the system of water management and distribution as generally adopted in the principal provincial towns would be preferable for application to London and neighbourhood, rather than the establishment of a Water 'Trust' system." What I think is the view of the county councils is that they should have independent control rather than that they should be united to London in regard to this matter; but we shall consider most carefully and endeavour to evolve some scheme by which as far as possible we can meet their views in that respect. Our one desire is, if we possibly can, to get some scheme or plan by which we can gain the sympathy, and satisfy the outlying authorities that we desire to be fair with them, that we desire to be loyal to them, and that we desire if possible to bring about a reform of the system of the water supply, which will benefit them as much as us, and should we find ourselves in possession of materials of a sufficiently definite and practicable character to justify us in calling you together again, we shall not hesitate to venture upon doing so in the full belief that you will act as frankly with us as you have to-day.

(The Conference then adjourned).

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Contention that the future obligations which would be imposed on the companies if the undertakings remain in their hands should be considered by the arbitrators when deciding the price to be paid, and that this direction in the clause is necessary to insure its being brought before them, *Cripps* 1567 *et seq.*——Non-inclusion in the Bills of any instructions to the arbitrator to consider the prospective value of the companies and their growth in the future; no doubt that if the companies wish to put anything of the kind specially forward the County Council would consider it, *ib.* 2147–2150——Explanation as to the way in which the question of the arbitrators stating a case for the directions of the Court would arise; belief that there would be no difficulty in the matter, *ib.* 2197–2200.

Object of the arbitration clause in the Bill to fix a fair and reasonable price, not to reduce the purchase money; admission, however, that this clause would have the effect of lessening the purchase money, while there is no provision that might enhance the price, *Cripps* 2203–2218——Departure of the London County Council from the ordinary principle of arbitration under the Lands Clauses Act, because of the apprehension that the arbitrators, without directions, could not entertain a good many important elements which it is only fair should be entertained, *ib.* 2228–2234. 2274 *et seq.*——Adherence of witness to the opinion that all the instructions to the arbitrators inserted in Clause 6 of the Lambeth Bill are absolutely necessary; illustration of the hardship that might arise to the County Council if they were omitted, *ib.* 2507–2521.

Examination to the effect that the instructions to the arbitrator are necessary, and should be defined by Parliament, in order that no ambiguity should arise as to the interpretation of the words "fair and reasonable value," *Moulton* 2617–2620. 2646–2655. 2665, 2666. 2679–2682. 2695. 2720–2723. 2741–2750. 2841–2843. 2889——Opinion that the returns of a company may be swollen by excess of charge or deficiency in the performance of their duties, and that this should be taken into consideration in effecting an arbitration, *ib.* 2618. 2759–2768——Attention called to the first sub-section of Clause 6; belief that this proviso is necessary, as a return has to be discounted if companies have not kept abreast of their liabilities, *ib.* 2621–2626. 2716–2719. 2868–2871——Conclusion that the instructions to the arbitrator do not tend to unduly cut down the price of the undertaking, *ib.* 2636, 2637.

Examination in regard to the precedent for the variation of the language of the Lands Clauses Act by the use of the words "fair and reasonable value"; contention that the justice of this requisition is not to be tested by precedent, *Moulton* 2671–2678A. 2864–2867——Discussion as to whether the improper rejection of evidence by an arbitrator does not afford a ground for setting aside an award; belief that under the Arbitration Act of 1889 this result does not follow, *ib.* 2684–2694. 2820–2834. 2873–2889——Conclusion that the terms of purchase in previous cases generally have not been properly adjusted, *ib.* 2737–2740——Objections to the purchase of the water companies by arbitration under the Lands Clauses Act, *ib.* 2794–2800. 2844–2849.

Grounds for the statement that the County Council has never approved the principle of an open arbitration, *Sir J. Lubbock* 2962–2965. 2968, 2969. 3063–3072——Reference to Clause 6 of the present Bill as providing that certain matters should, and certain other matters should not, be taken into consideration by the arbitrator; examination as to the fairness or otherwise of these provisions, *ib.* 2966. 3062–3074——Evidence to the effect that witness is not conversant with arbitrations nor competent to say what instructions should be given to the arbitrator, *ib.* 3062–3074.

Information respecting a meeting of the London County Council on the 18th June, at which it was suggested to draft a clause alternative to Clause 6, *Beachcroft* 3415–3437——Objection of the Council to purchase on open arbitration, *ib.* 3474–3482.

See also *Ambleside Water Company. Back Dividends. Competition. Compulsory Sale. Debenture Stock. Essex. Hertfordshire. Kent. Market Value. Middlesex. New Sources of Supply. Northwich Water Company. Plant, &c. Rateable Value. Surrey. Transfer before Arbitration, &c.*

Area of Supply (Lambeth Waterworks Company). Definition of the Lambeth Company's protected area; unsuccessful attempt of the South London Company in 1810 to remove the restriction in regard to competition therein, *Cripps* 1610–1613——Re-definition and extension of the Lambeth Company's limits in 1848, *ib.* 1628, 1629.

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Austin, Walter George. (Analysis of his Evidence.)—Examination to the effect that the County Council of Middlesex has not power to promote Bills; illustration in the case of the River Brent in 1893; 3727–3737.

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B.

Back Dividends. Question respecting the first subject of the proviso at the end of Clause 6 of the proposed Bill dealing with back dividends; evidence showing that it was inserted as a compromise, and was based on the analogy of what was done in the Gas Acts, *Harrison* 199–203. 459.

Examination with further reference to the question of the fairness or unfairness of the proposal relating to back dividends; detailed information as to the reasons which led to its introduction, one of which was the action of the water companies in exempting themselves from the operation of the Act in regard to laying down pipes and supplying water, *Harrison* 880–916.

Explanations as to the payment of back dividends by the Kent Company, and as to the grounds upon which witness further justifies the proposed limitation upon back dividends generally, *Harrison* 1004–1068.

Grounds for justifying the proposal that the arbitrators shall not make any allowance in respect of any claim to make up to the prescribed rate any dividend which shall have been payable for more than six years, this matter having been dealt with somewhat on the lines of the Gas Companies' Act of 1860, *Cripps* 2048–2080. 2201, 2202——Contention that the first section of the proviso of Clause 6 dealing with back dividends shall not alter the law of the kingdon, *Moulton* 2769–2785. 2855, 2856.

Objection to any company making up all its back dividends, witness advocating the limitation of back dividends to six years in conjunction with a system of regulation and control of the companies, *Sir J. Lubbock* 2966. 2978–2983. 3112.

Beachcroft, Richard Melvill. (Analysis of his Evidence.)—Witness attends, unwillingly, on a Speaker's order, and is in no way bound up with the interests of Middlesex as regards the water question; he wrote an article expressing his views on the subject in the "National Review" of February last, 3412–3415. 3462, 3463.

Information respecting a meeting of the London County Council on the 18th June, at which it was suggested to draft a clause alternative to Clause 6; 3415–3437——Grounds for the opinion that the Council is unable to undertake the heavy duties that would accrue by the purchase of the water companies; attention of witness called to the large amount of work done by the municipalities of Glasgow, Manchester, &c., 3437, 3438. 3472, 3473. 3482–3489. 3505–3527. 3535–3540. 3555, 3556——Detailed evidence respecting the arduous and multifarious work at present administered by the Council, and the number of committee meetings that are necessary for its transaction, 3439–3455. 3457–3461——Employment of nearly 6,700 people by the Council, 3443. 3456.

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Approval of the expropriation of the water companies on the ground that water is not the proper subject for free trade, 3501–3504——Explanation of the extra duties which the administration of the water question would impose on the London County Council, 3528–3534. 3541–3544. 3553, 3554——Desirability of the establishment of a water trust on which the Council should be represented, 3544–3552——Difficulty in getting gratuitous service on the work of the Council, 3558, 3559.

Beck, William. (Analysis of his Evidence.)—As Chairman of the District Council for Waltham Holy Cross submits objections to the London County Council being permitted to use, for London, pure water derived from Holy Cross, as it is necessary for that district, 3873–3877. 3880, 3881——Opinion that the local water distribution might be administered by the Essex County Council, or that urban authorities might be grouped with the object of a better and cheaper supply, 3877–3880——Objection to a second-hand supply from the London County Council, 3884, 3885.

Beckenham. Impracticability of transferring the water supply of Beckenham to the management of the Kent County Council or district water authority, *Harrison* 1262–1275.

Witness, as Chairman of the Water Committee of the Beckenham Urban District Council, submits strong objections on the part of the Council and of other local authorities in Kent, to any control of the water supply in their districts being vested in the London County Council, *Randell* 3220 *et seq.*——Rapid increase in the population of Beckenham; also, in the rateable value, *ib.* 3223–3226.

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Beckenham—continued.

Several grounds upon which the Beckenham District Council and other local bodies urge that the water supply should be vested in the local authorities, and that there should be complete and absolute severance from the London County Council and from London, *Randell* 3229 *et seq.*—— Much larger supply by the Lambeth Company than by the Kent Company in Beckenham, *ib.* 3253–3255.

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Bigwood, James (*Member of the House*). (Analysis of his Evidence).—Witness, who represents the Brentford Division of Middlesex, is an Alderman of the Middlesex County Council and Chairman of the Parliamentary Committee, 3560–3563. 3572.

Evidence showing that the Middlesex Council have arranged to protect and represent the local authorities, 3564–3572—— Enumeration of the companies having a right of supply within the area of the Council, 3573–3575. 3632, 3633—— Information as to the large portion of water drawn by the companies from wells within the county ; opinion that Middlesex has a primary claim to this water, 3576–3581.

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Bills of 1891. Examination in regard to two important Bills brought before Parliament in 1891, viz., the London Water Commission Bill and the Metropolis Water Supply Bill, both of which were fully considered and reported upon by the Parliamentary Committee of the County Council (*App.* 331–340); petitions presented against the two Bills for the establishment of a Joint Commission, *Harrison* 28–33. 36–46. 61, 62 ——Information as to other important Bills, viz., a London County Council Bill, Mr. Causton's Bill, the Croydon Bill, and the Southwark and Vauxhall Bill, which were brought before Parliament in 1891, *ib.* 57–69——Explanations respecting the reasons given for the rejection of the Water Commission Bill and the Metropolis Water Supply Bill by the Committee appointed to consider them, *ib.* 70–76.

Binnie, Alexander Richardson. (Analysis of his Evidence.)—Witness, who is now chief engineer to the London County Council, was for fifteen years engineer to the Bradford Corporation Waterworks ; he is a member of the Council of the Institution of Civil Engineers and a Fellow of the Geological Society, 2529–2535.

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Conclusion of the Royal Commission that in the year 1931 Greater London would have a population of 11,191,934, with a daily requirement of 415,219,732 gallons of water, 2547–2550. 2555——Description of the sources of supply and the districts supplied by the eight companies, 2556–2559——Reference to the frequent reports issued by witness in regard to the rainfall, population, pollution of water, &c., all of which reports were considered by the Council when preparing the Bill, 2560–2563.

Detailed evidence respecting the sources of supply and the area supplied by the Lambeth and the Southwark and Vauxhall Companies, 2564–2582.——Information as to the manner in which the Lambeth, Southwark and Vauxhall, West Middlesex and Kent Companies overlap ; statement that in a district of three and a-half square miles south and east of Westminster Bridge the Lambeth and the Southwark and Vauxhall pipes are laid in common through the streets, although no active competition exists, 2583–2589. 2592, 2593——Active competition carried on between the Corporation of Croydon and the Lambeth Company, 2589–2591.

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Consideration of the important question of the flow of the Thames, which varies considerably; table handed in illustrating the dry weather flow of the river, 2594–2606——Additional table handed in showing that occasionally the companies draw from 28½ to 44 per cent. of the total annual natural volume of the Thames, 2607–2611.

Birmingham. Examination upon the terms of purchase of the water supply in the Birmingham case, witness submitting that there was no allowance for compulsory sale; admission that this case was settled by agreement, so that there was no need to go under the Lands Clauses Act, *Cripps* 2126–2147.

C.

Capital. Opposition of the Metropolitan Board of Works to the Bill brought in by the Lambeth Company in 1883 seeking to raise new capital; reduction by the Committee of the powers asked for from 375,000*l.* to 75,000*l.* so as not to interfere with future legislation, *Cripps* 1425–1429.

Liability and risk of loss incurred by the shareholders in the Lambeth Company if a large capital outlay be necessary for an increased supply, whereas the risk would fall on the ratepayers under the County Council scheme, *Sir J. Lubbock* 3011.

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Chatterton, George. (Analysis of his Evidence.)—Explanation as regards the Kent water supply that the wells in the London district are capable of being pumped to the extent of about 8,000,000 gallons per day, the total available supply from wells in Kent being estimated at 27,500,000 gallons per day, 3284–3292——Calculation that out of the total available supply another 10,000,000 gallons per day is the maximum that could be given for London, leaving about 9,000,000 gallons a day for the Kent districts outside London, 3292–3300. 3310–3315.

Statement as to the practicability, in an engineering sense, of an entire severance of the supply for the Kent districts from the London supply, 3301–3303. 3315–3319——Very rapid increase of the population of Beckenham and other districts, the population in the inside districts being also rapidly increasing, 3304–3309. 3327, 3328——Conclusion that the Kent authorities should have the entire control and the ownership of the supply in their own district, the supply in the inside area being under the authorities for London, 3320–3326.

Clauses of Bill. Opinion that if the preamble of the Lambeth Water (Transfer) Bill passes the clauses would conveniently, practically, and fairly, carry out the general scheme of purchase and transfer, *Cripps* 1769.

Competition:

Explanation of the difference in the power of competition between two or more companies, which is dependent on their position being inside or outside the county; illustrations in the cases of Croydon and Richmond, *Harrison* 136, 137——Investigation as to the statutory powers of any other company to compete in any part of the Lambeth Company's district; explanation that power to supply was granted by Parliament to the Southwark and Vauxhall, and the West Middlesex companies, but, owing to a proviso that they are not to act when there is another company in possession, the benefit of this provision is nullified, *ib.* 189. 192–198. 428–445. 451–457. 673–677.

Attention of witness called to a section of the Metropolis Management Act of 1885 as supporting the contention of the water companies that Parliament has enacted against competition; denial, based on the opinion of Mr. FitzGerald, as expressed at Sir W. Harcourt's Committee, that it was the intention of Parliament to discourage competition, *Harrison* 587–606.

Statement that the South London Company were authorised, under their Act in 1805, to compete with the Lambeth Company in certain parts of the latter's area, and were expressly restrained from competing in others; result of this arrangement that, while the Lambeth Company could go into the South London Company's district, the reverse did not hold good, *Cripps* 1600 *et seq.*——Petitions presented to Parliament in 1828 by the inhabitants of Lambeth and other districts south of the Thames praying that the Royal Commission might be extended to South London, and that the Lambeth Company's monopoly might be removed, *ib.* 1614–1618.

Consideration of the whole question of the establishment of the companies in South London in 1834, the result being that the Vauxhall Company were let in to compete in the Lambeth Company's protected area, and their powers extended in other directions; vigorous competition of the three companies with each other, *Cripps* 1620–1625

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——Power of the West Middlesex Company to compete with the companies south of the Thames; that is, in certain parishes, *Cripps* 1630–1632.

Importance of the period from 1847 to 1852; the existing constitution and rights of the southern companies having then been established; agreements made by the Lambeth, Southwark, and West Middlesex Companies with each other, whereby the public were deprived of the benefit of competition, as shown in table handed in, *Cripps* 1633–1640——Production by witness of a map explaining more clearly the statutory powers that have from time to time been granted to the South London Companies since 1785; continued encouragement of competition by Parliament, restrictions being removed, *ib.* 1656–1659. 1817–1826.

No doubt that the effect of the statutory competition in the years 1841 and 1842 had been to reduce very considerably the charges to the consumer; increase of the rates after the competition had ceased, *Cripps* 1662–1670——Failure of the competitive Bills introduced in 1851, the Government measure, the chief object of which was to cancel all the then existing powers of taking water, and to secure a uniform rate, not passing till 1852; rejection of the clauses of the Government Bill that were most adverse to the water companies, *ib.* 1671 *et seq.*

Evidence in support of the statement that in 1852 the water companies undertook, if they were not interfered with, to continue the competition among themselves and thus to protect the consumer, *Cripps* 1676–1685——Proposal in the Government Bill of 1852 that the companies should be compelled to supply the whole of their districts, in order that the consumers should not be deprived of the benefit of competition; objection of the companies to competition by compulsion, *ib.* 1686–1699. 1827 *et seq.*

Disagreement of witness with the assumption that the report of the Select Committee of 1821 was adverse to competition; opinion on the contrary, that the whole tenour of the report was that, while the companies should be restrained from amalgamating or destroying one another, competition should be kept thoroughly well alive, *Cripps* 1818–1826——Detailed information as to the events that led to the insertion in the water companies' Bills of 1852 of a proviso which absolved the companies from compulsory competition with each other; proposal of the County Council to repeal this proviso, *ib.* 1856–1867.

Statutory power of the Southwark and Vauxhall Company to compete in nearly every part of the Lambeth district; argument that if this power were properly exercised, either the Lambeth Company's rates must be reduced to the Southwark Company's maximum or the latter would take over the former's business, *Cripps* 1868–1880—— No doubt that the proviso in the Bills of 1852 did protect the companies from compulsory and ruinous competition, and was distinctly advantageous from the companies' point of view, *ib.* 1885–1892——Dissent from the suggestion that the Committee of 1852 explicitly stated that their object was to prevent the companies being compellable to carry their pipes into a district already supplied by another company, *ib.* 1928–1937.

Admission that if the London County Council became the owners of three or four water companies in the North of London, they would have immense advantage in competing with the remaining companies, and would be able to finally bring them to their knees, *Cripps* 2161 *et seq.*

Dissent from the proposition that since 1851 Parliament has discouraged competition among the water companies; opinion, from the consumers' point of view, that the companies ought to have used their powers of competing with one another, *Cripps* 2234 *et seq*——Contention that the Metropolis Water Supply Bills of 1878 was a competition Bill, *ib.* 2253–2262.

Necessity for an arbitrator to consider the statutory powers of any other company to compete in any part of the Lambeth Company's district, *Moulton* 2656–2664.

See also *Amalgamation of Companies. Croydon. Rates and Charges. Southwark and Vauxhall Water Company.*

Compulsory Sale. Consideration of the last paragraph of the proviso at the end of Clause 6, viz., "No addition shall be made to the fair and reasonable value of the undertaking in respect of compulsory sale"; objection to the custom of such additions being permitted to perpetuate in the case of public authorities, *Harrison* 210–213.

Examination as to the sale of the Ambleside Water Company, the Felixtowe Water Company, and the Chesterfield Water and Gas Company, all of which were sold as purchases by compulsion; contention, nevertheless, that in the present case there should be no addition for compulsory purchase, *Harrison* 843–880——Reference to the agreements entered into voluntarily by the companies in 1880 to sell without compensation, *ib.* 946–952.

Contention that no addition should be made by the arbitrators to the fair and reasonable value of the undertaking in respect of compulsory sale: disagreement with the proposition

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proposition that an addition has been made in every compulsory sale for the last fifty years, the Birmingham case being one to the contrary, *Cripps* 2122–2147. 2218 *et seq.*——Explanation that the allowance of 10 per cent. in case of compulsory purchase has not been established by Statute, but exists as a custom, *ib.* 2526–2528.

Constant Supply. Modification of some of the provisions of the Public General Act of 1852 by an amending Act in 1871, placing the London companies under obligations as to the provision of a constant supply; exercise by Parliament of its absolute right to control the companies, *Cripps* 1730–1735.

Contracts. View of witness that the provision, introduced into all the Bills, that contracts, &c. made by the companies since the 1st July 1894 shall not continue in force unless agreed to by the Council, is not at all unreasonable, and is usual during an intermediate or suspensory period, *Cripps* 2345–2362. 2396–2408. 2465–2470.

Corporation of London. Details of an agreement entered into in 1891 between the Corporation of London and the London County Council in regard to the Water Bill of that year; Special Report of Sir Matthew White Ridley's Committee, in reference to this question, to be placed in the Appendix, *Harrison* 77–80.

Examination respecting a proposal received from the City Corporation in November 1891, to introduce a Bill in accordance with the agreement made in the previous May; explanation showing that this resulted in the London Water Act, 1892, which was the first statutory authority conferred on the Council to promote Bills relating to water, *Harrison* 84–100.

Explanations in regard to the additional representation of the City on the Water Committee of the County Council, and why this double representation is not applicable to Wandsworth; reasons for the City having exceptional representation, *Harrison* 1132–1159.

See also *London County Council.* *Sinking Fund.*

Cost of Purchase. Explanation that an estimate of the cost of purchase was placed confidentially before the Water Committee of the London County Council, but has never been published; strong comment thereupon, *Sir J. Lubbock*, 2959–2961——Probability that under the present scheme of the Council some 35 or 40 millions might be paid in purchase-money, and some 10 or 15 millions for reservoirs to the new works and an additional supply, *ib.* 2962–2966. 3063–3069.

Cripps, Henry Lawrence. (Analysis of his Evidence.)—Witness has acted professionally in reference to Parliamentary proceedings for the Metropolitan Board of Works and the London County Council for more than twenty years; has had the exclusive management of the work of the latter body since 1892; 1387–1392.

Long controversy with the water companies, extending from 1878 to 1892, in regard to the technical difficulties preventing the Metropolitan Board of Works and the London County Council from dealing with the water question, 1393, 1394——Conclusion of the Metropolitan Board of Works, the Lambeth Board of Works, and the Corporation of London in 1880, that Mr. E. J. Smith's provisional agreements were inadmissible, and that it was necessary to oppose Lord Cross's Bill for the promotion and confirmation of the agreements, 1395–1397.

Statement that since 1880 witness has advised on every Bill brought in affecting London, including all the Bills of the water companies; introduction into every Bill, relative to water companies, of provisions clearly indicating the policy of Parliament in favour of the ultimate purchase of the undertakings, 1398–1400, 1410 *et seq.*——Indication by Sir William Harcourt's Committee in 1880 of three courses which might be adopted in dealing with the companies, namely, competitive supply, regulation, or purchase; tendency of all the Acts passed since then towards acquisition rather than competition or regulation, 1400, 1401. 1410 *et seq.*; 1489.

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mittee struck out everything except the clause making good certain acts done by inadvertence, and the Commons' Committee inserted the auction clauses, 1410-1424.

Opposition of the Metropolitan Board of Works to the Bill brought in by the Lambeth Company in 1883 seeking to raise new capital; reduction by the Committee of the powers asked for from 375,000*l.* to 75,000*l.*, so as not to interfere with future legislation, 1425–1429——Strong opposition of the Metropolitan Board of Works and the local authorities of every district within the area of the company to the Southwark and Vauxhall Company's Bill of 1883 for extension of limits and amalgamation with the Lambeth Company; non-approval of the preamble of the Bill by the Committee, 1425–1439.

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Rejection of the Kent Company's Bill for extension of limits and power to raise 100,000*l.*, and the Southwark Bill for power to raise 280,000*l.* in 1885, the opposition being based upon the one point that the passing of the Bills would interfere with the ultimate acquisition of the undertakings on fair terms, 1449–1454——Introduction in 1886 of Bills for raising capital by the East London, Lambeth, and Southwark Companies, which were fought by the City Corporation, the Metropolitan Board standing aside; peculiar and exceptional form of legislation introduced for the first time, giving the public a kind of reversionary interest in the undertakings of these companies, 1455–1463.

Attention drawn to the fact that the principle established by the sinking fund clause was carried into the Chelsea Company's Act of 1887, which was of a domestic character, 1464, 1465——Rejection, on the second reading, of the Grand Junction Company's Bill of 1888, proposing to take more water from the Thames, 1466——Statement that the Metropolitan Board allowed the Kent Company's Bill for raising 100,000*l.* share stock to pass without opposition in 1888, on the company accepting the sinking fund and auction clauses, 1467, 1468.

Introduction by the Southwark Company of a Bill in 1891 to raise 300,000*l.* debenture stock, containing the sinking fund clause; copy of the sinking fund clause as amended by the Ridley Committee, so as to provide that the interest should be invested and held for the purpose of extinguishing the company's capital, or otherwise, 1469–1478——Further Bill introduced by the Southwark Company in 1893, for power to raise debenture stock, opposed by the County Council and rejected on the second reading in the House of Commons, as it would have complicated the question of acquiring the company's undertaking, 1479.

East London Company's Bill of 1894 for power to raise 500,000*l.* passed, subject to the sinking fund clause, 1480–1487——Amount of capital sought to be raised by the Southwark Company's Bill in 1894 reduced by the amount received by the company in respect of sales, the proposal to take more water from the Thames being dropped, and the sinking fund clause revised, 1481–1487.

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Explanation, with regard to Clause 6 of the Lambeth Water (Transfer) Bill (providing that, in the event of the transfer being effected by arbitration, the arbitrators are to have regard to certain circumstances in determining reasonable terms), that it is intended that the arbitrators shall give such effect to the circumstances as they consider due to them, 1490-1495——Opinion that the condition of the company's reservoirs, filter-beds, machinery, and plant, and the probable future expenditure thereon, is a fair matter for the consideration of the arbitrators; evidence in support of the contention that it is reasonable to consider whether there is efficient storage, and whether the water is efficiently filtered before delivery, 1496–1506. 1528 *et seq.*

View

Cripps, Henry Lawrence. (Analysis of his Evidence)—*continued.*

View of witness that a special direction is necessary so as to ensure that the state of the company's reservoirs, beds, plant, &c., shall be allowed for by the arbitrators; careful consideration given to the matter not only by witness but by the Parliamentary Committee of the County Council, 1507 *et seq.*——Evidence to the effect that the resolution to press forward the Bills for the purchase of the Lambeth and Southwark and Vauxhall Companies was carried in the County Council by sixty-six votes against thirty; withdrawal of proposal to insert a clause rendering the Bills inoperative until the sixteen Bills had been dealt with, 1515–1527A.

Explanation that the concluding words of the first paragraph of Clause 6 of the Lambeth Bill, as to the liabilities or obligations that the company may reasonably be required or expected to incur, were inserted after consultation with high authorities on arbitration questions, but that no case in writing was submitted to counsel in regard to the words, 1528–1547——Considerable doubt as to what are the legal powers of the Lambeth Company to take water out of the Thames, the Thames Conservancy having granted the company power to increase the daily quantity from 20,000,000 to 24,500,000 gallons, after Sir Hussey Vivian's Committee refused to insert a clause to increase the quantity in the Bill of 1878; 1548, 1549.

Claim of the Lambeth Company, as landowners, to a legal right to pump up water out of their own land; opinion, however, of the Royal Commission that as this water is either intercepted on its way to, or abstracted from, the Thames, it must be included in the 20,000,000 gallons to which the company are, according to the view of witness, restricted, 1550–1552——Contention of the Southwark Company that they have a right to take 24,500,000 gallons from the Thames per day; certainty that if their legal powers only extend to 20,000,000 gallons per day they are existing by selling water that does not belong to them, 1550–1552.

Opposition of the County Council to the Thames Conservancy's reorganisation Bill of last year, because it proposed to legalise the arrangements under which the two water companies each took 24,500,000 gallons per day from the Thames; result that the companies were forbidden to take any further quantity, 1553–1560——Strong feeling in Hertfordshire that the whole county is suffering from the gradual abstraction of water from the county by London; petition of the Hertfordshire County Council, in connection with the New River Bill, that no increase in the quantity now taken shall be allowed, 1561, 1562.

Proposals of the County Councils of Hertfordshire, Kent, and Middlesex, and of the Thames Conservancy, that the power of the Lambeth and Southwark Companies to take water from the Thames shall not be extended beyond 24,500,000 gallons per day; special necessity of the clause enabling these proposals being brought to the attention of the arbitrators, 1563, 1564——Attention drawn in the Report of the Local Government Board on the Lambeth Company's Bill that the company must not rely upon their power to take water at Long Ditton; belief that although this source is an improper one it is sometimes used, 1565, 1566.

Contention that the future obligations, which would be imposed on the companies if the undertakings remain in their hands, should be considered by the arbitrators when deciding the price to be paid, and that the direction in the clause is necessary to ensure its being brought before them, 1567 *et seq.*——General opinion that the breakdown of the companies' supply during last winter was due to the mains being laid too near the surface, and to the companies, instead of continuing the water supply in their mains, shutting it off; no doubt that the companies, when discussing this matter before the arbitrators, would point out that they got their money whether they supplied the water or not, 1568–1574.

Decided opinion that the legality of the charge for water that was not supplied, and of other disputed charges, is a matter to be brought before the arbitrator, as it would seriously affect the company's revenue, and consequently the amount to be paid, 1575 *et seq.*——Evidence in support of the view that the Lambeth Company are not entitled both to charge a higher rate per cent. than the other companies, and also to charge extra for other than domestic supplies, including 10*s.* per annum for fixed baths; submission by witness of demand notes of the Southwark and Lambeth Companies, showing that the latter is misleading, 1585 *et seq.*

First statutory grant by Parliament to supply the South of London with water in 1785, when the Lambeth Company were authorised to supply the parish of Lambeth and parts adjacent; establishment in 1805 of the South London Company, which afterwards became the Vauxhall Waterworks Company, and was finally amalgamated in 1845 with the Southwark Company as the Southwark and Vauxhall Company, 1593 *et seq.*; 1619. 1626, 1627——Statement that the South London Company were authorised under their Act in 1805 to compete with the Lambeth Company in certain parts of the latter's area and were expressly restrained from competing in others; result of this arrangement that while the Lambeth Company could go into the South London Company's district, the latter could not go into the former's, 1600 *et seq.*

Report, 1895—*continued.*

Cripps, Henry Lawrence. (Analysis of his Evidence)—*continued.*

Definition of the Lambeth Company's protected area; unsuccessful attempt of the South London Company in 1810 to remove the restriction in regard to competition therein, 1610–1613——Petitions presented to Parliament in 1828 by the inhabitants of Lambeth and other districts south of the Thames praying that the Royal Commission might be extended to South London, and that the Lambeth Company's monopoly might be removed, 1614–1618.

Consideration of the whole question of the establishment of the companies in South London in 1834, the result being that the Vauxhall Company were let in to compete in the Lambeth Company's protected area, and their powers extended in other directions; vigorous competition of the three companies with each other, 1620–1625——Re-definition and extension of the Lambeth Company's limits in 1848; 1628, 1629.

Power of the West Middlesex Company to compete, in certain parishes, with the companies south of the Thames, 1630–1632——Importance of the period from 1847 to 1852, the existing constitution and rights of the southern companies having then been established; agreements made by the Lambeth, Southwark, and West Middlesex Companies with each other, whereby the public were deprived of the benefit of competition, as shown in the table handed in, 1633–1640.

Evidence to the effect that in no single case have the London water companies paid for their source of supply; contention that the authority representing the inhabitants of London has certain rights in the water of the Thames, and that the legal powers of the companies to take water should be considered by the arbitrators, 1641–1644——Chief provision of the Government Bill of 1851 that no more water should be taken in at the then existing sources from the Thames; opposition of all the water companies to the Bill, the result, however, being that the companies had to go higher up the river for their supplies, 1645–1655.

[Second Examination.] Production by witness of a map explaining more clearly the statutory powers that have from time to time been granted to the South London companies since 1785; continued encouragement of competition by Parliament, restrictions being removed, 1656–1659. 1817–1826——Failure of the competitive Bills introduced in 1851, the Government measure, the chief object of which was to cancel all the then existing powers of taking water and to secure a uniform rate, not passing till 1852; rejection of the clauses of the Government Bill that were most adverse to the water companies, 1671 *et seq.*

No doubt that the effect of the statutory competition in the years 1841 and 1842 had been to reduce very considerably the charges to the consumer; increase of the rates after the competition had ceased, 1662–1670——Evidence in support of the statement that in 1852 the water companies undertook, if they were not interfered with, to continue the competition among themselves, and thus to protect the consumer, 1676–1685——Proposal in the Government Bill of 1852 that the companies should be compelled to supply the whole of their districts in order that the consumers should not be deprived of the benefit of competition; objection of the companies to competition by compulsion, 1686–1699. 1827 *et seq.*

Suggestion that the attention of the arbitrator should be directed to the circumstances under which the existing powers of charging were given by Parliament to the companies, as the distinct pledge in regard to maximum rates given by the companies in 1852 has not been fulfilled, 1700 *et seq.*——Extracts from the speeches made by the representatives of the water companies during the inquiry in 1852 against a uniform rate in support of the statement that the companies represented that their maximum rate would only be charged in particular cases, and under certain circumstances, 1707 *et seq.*—— Contention that the arbitrator should, when considering the price to be paid, treat the company's statutory maximum rate as a rate that ought to have been receded from in the majority of instances, and that he should also have the possibility of Parliamentary control and regulation clearly within his purview; necessity of an instruction to that effect, 1724 *et seq.*; 1883, 1884. 1902 *et seq.*

Modification of some of the provisions of the Public General Act of 1852 by an amending Act in 1871, placing the London companies under obligations as to the provision of a constant supply; exercise by Parliament of its absolute right to control the companies, 1730–1735——Absolute necessity on the principle of *expressio unius* of instructing the arbitrator to have regard to the condition of the reservoirs, &c., 1744–1748.

Assertion that the London County Council did not attempt to make out any case against the water companies before the Royal Commission of 1890, but that the companies made a very strong case in their own favour; view of the Council that the terms of reference to the Commission excluded the vital question, the Report of the Water Committee being handed in, 1749–1763. 1771 *et seq.*——Explanation that the chief reason why the Council is proceeding by eight Bills instead of one is that great differences

Report, 1895—*continued.*

Cripps, Henry Lawrence. (Analysis of his Evidence)—*continued.*

differences exist between the several companies; opinion that if the eight companies had been grouped together in one Bill it would have been quite impracticable to deal with the matter within the limits of any one Session, 1764–1768.

Contention that if the preamble of the Lambeth Water (Transfer) Bill passes, the clauses would conveniently, practically, and fairly carry out the general scheme, 1769 ——Conclusion of the County Council that they should be allowed at least 100 years (instead of sixty) within which to provide for repayment of the purchase-money, 1770.

Grounds for the contention that the Royal Commission of 1890 did not report that there was an adequate supply of good water to be got from the watershed of the Thames and Lea, 1771 *et seq.* ——Desire of the County Council that the arbitrator should have due regard to the Report of the Royal Commission of 1890; necessity of the direction to the arbitrator to consider the probability of a new source of supply being required, 1796 *et seq.*

Disagreement of witness with the assumption that the Report of the Select Committee of 1821 was adverse to competition; opinion, on the contrary, that the whole tenour of the report was that while the companies should be kept from amalgamating or destroying one another, competition should be kept thoroughly well alive, 1818–1826.

Detailed information as to the events that led to the insertion in the water companies' Bills of 1852 of a proviso which absolved the companies from compulsory competition with each other; proposal of the County Council to repeal this proviso, 1856–1867——Statutory power of the Southwark and Vauxhall Company to compete in nearly every part of the Lambeth district; argument that if this power were properly exercised, either the Lambeth Company's rates must be reduced to the Southwark Company's maximum or the latter would take over the former's business, 1868–1880.

Statement that if the West Middlesex Company were using as they ought their powers to supply three important parishes in the Lambeth district, the consumers in those parishes would have the benefit of using, at a lower price, better water than that which they are now receiving, 1881, 1882——No doubt that the proviso in the Bills of 1852 did protect the companies from compulsory and ruinous competition, and was distinctly advantageous from the companies' point of view, 1885–1892.

Explanation, with reference to the 23rd Section of the Southwark and Vauxhall Act of 1884, that, although the Southwark and Lambeth companies were allowed to carry out purely domestic arrangements between themselves, it was expressly provided that no such arrangement should interfere with their responsibilities to the consumers, 1894-1902——Admission that Clause 3 of the Southwark and Vauxhall Bill would have the effect of reducing the purchase money which the company might otherwise claim; possibility, however, of Part II. only of the Bill being passed, 1902-1927.

[Third Examination.]—Dissent from the suggestion that the Committee of 1852 explicitly stated that their object was to prevent the companies being compellable to carry their pipes into a district already supplied by another company, 1928–1937——Adherence of witness to his statement that in 1852 the companies gave pledges to Parliament that in the majority of instances they would not charge their legal maximum, and that they have broken those pledges; contention that this matter ought to be brought under the consideration of the arbitrator, 1937–1955.

Admission that the preamble of the Southwark and Vauxhall Bill goes further, as regards arbitration, than the London County Council intend to go, and that evidence will not be given to justify the paragraph in its present form, 1955–1973——Objection to the Ambleside clause being held up as a model clause for providing for the compulsory transfer of the undertaking of an existing water company to the local authority; preference of witness for the Northwich clause, under which the arbitrator would have to consider the value of the undertaking to the purchasers, 1973–2002.

Concurrence of witness in the statement that the arbitrator could take into consideration, without an instruction, the condition and state of efficiency of the reservoirs, &c., *per se*, but not as involving a future liability on the companies, 2002–2016——Grounds for the opinion that although an arbitrator could, under the Lands Clauses Act, inquire into the condition of the reservoirs, &c., he could not, in the absence of some direction, go into the question as to whether the mains had been laid at a proper depth, 2017–2040.

Doubt as to the arbitrators being, without instruction, entitled to take into consideration any liabilities or obligations that the Southwark and Vauxhall Company may be reasonably required or expected to incur, 2040–2048——Grounds for justifying the proposal that the arbitrators shall not make any allowance in respect of any claim to make up to the prescribed rate any dividend which shall have been payable for more than six years, the matter having been dealt with somewhat on the lines of the Gas Companies Act of 1860; 2048–2080. 2201, 2202.

Report, 1895—*continued.*

Cripps, Henry Lawrence. (Analysis of his Evidence)—*continued.*

Opinion that the arbitrators should be prohibited from making any allowance in respect of any assumed future increase of the rateable value of property, as there is no reason why more money should be paid to the water companies in consequence of the people of London having by their own requirements increased the rateable value, especially when there is no increased consumption of water, 2080–2122.

Contention that no addition should be made by the arbitrators to the fair and reasonable value of the undertaking in respect of compulsory sale; disagreement with the proposition that an addition has been made in every compulsory sale for the last fifty years, the Birmingham case being one to the contrary, 2122–2147. 2218 *et seq.*

Non-inclusion in the Bills of any instruction to the arbitrator to consider the prospective value of the companies and their growth in the future; no doubt that if the companies wish to put anything of the kind specially forward the County Council would consider it, 2147-2150.

Inability of witness to produce any precedent for the provision in the Lambeth Bill that the undertaking of the company shall be transferred on a specified day to the Council before the price has been paid or ascertained, 2150–2152.

Reasons why the recommendation of Sir Matthew White Ridley's Committee to take all the companies or none before a fixed date was not acted upon; possibility that the Council may succeed in justifying the purchase of some of the companies and not of others, 2153 *et seq.*; 2277 *et seq.*——Admission that if the Council became the owners of three or four companies in the north of London they would have immense advantage in competing with the remaining companies, and would be able to finally bring them to their knees, 2161 *et seq.*

Difficulties in the way of inserting a provision in every Transfer Bill that the company which is the subject of the Bill shall not be bought until notice shall have been given to buy all the other companies; opinion that such a provision would defer the whole matter indefinitely, 2171–2196——Explanation as to the way in which the question of the arbitrators stating a case for the directions of the court would arise; belief that there would be no difficulty in the matter, 2197–2200.

Object of the arbitration clause in the Bill to fix a fair and reasonable price, not to reduce the purchase money; admission, however, that this clause would have the effect of lessening the purchase money, while there is no provision that might enhance the price, 2203-2218——Departure of the London County Council from the ordinary principle of arbitration under the Land Clauses Act because of the apprehension that the arbitrators without directions could not entertain a good many important elements which it is only fair should be entertained, 2228-2234. 2274 *et seq.*

Dissent from the proposition that since 1851 Parliament has discouraged competition among the water companies; opinion, from the consumers' point of view, that the companies ought to have used their powers of competing with one another, 2234 *et seq.* —— Contention that the Metropolis Water Supply Bill of 1878 was a competition Bill, 2253–2262.

Strong objection of the metropolitan water companies to the Metropolis Water Bill of 1851, which proposed to turn all the companies into one; withdrawal of the Bill in 1852; 2263–2268——Proposal of the Government in 1845 that the companies should be consolidated and placed under the control of a Government Department; admission that the Government was then content with arbitration without special instructions, 2268-2272.

[Fourth Examination.]—Approximate aggregate market value of the undertakings of the water companies somewhere between 30,000,000*l.* and 35,000,000*l.*; opinion that the value is very much over-estimated, having regard to all the circumstances, 2300–2304. 2482-2486——Further argument in support of the contention that the period of redemption of the stock created in connection with the purchase of the water companies should be 100 years; admission that the general policy of Parliament in recent years has been to shorten the period within which municipal authorities are to provide for their debts, 2305–2329. 2344, 2345. 2480, 2481.

Explanation that the London County Council propose in their Bills that the transfer of the undertakings shall take place before the purchase, because it may be eight or ten years before the actual sum to be paid can be ascertained; precedents for this course, 2329–2344. 2471–2475——View of witness that the provision, introduced into all the Bills, that contracts, &c., made by the companies since the 1st July 1894 shall not continue in force unless agreed to by the Council, is not at all unreasonable, and is usual during an intermediate or suspensory period, 2345–2362. 2396–2408. 2465–2470.

Statement

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Cripps, Henry Lawrence. (Analysis of his Evidence)—*continued.*

Statement that the liability to pay the interest on the debenture stock will be continued under the Bills, and that the Council has every desire to make the debenture stock absolutely secure; opinion that the case would be very fairly met if the companies settled with their debenture holders on receiving the purchase money, 2363–2376. 2471–2480——Explanation that there is no provision in the Bills for winding up the companies, because it was thought better on the whole to leave each company to deal with their purchase money as they think fit; probability that the New River Company would not wind up, 2376-2395. 2458-2460.

Willingness of the London County Council to come to an arrangement with all the other county authorities on the same basis as that agreed to with Surrey; opinion that this is more a matter of detail than of principle, 2409–2413. 2421 *et seq.*——No doubt that the result of the Council proceeding by eight Bills rather than by one will be to multiply the number of petitions from local authorities to some extent, but that it lessens the number that need be heard at the same time and very considerably reduces their contents, 2414 *et seq.*

Probable necessity of the agreement between the London and Surrey County Councils having to be confirmed by Act of Parliament; correspondence put in showing that it is the duty of the County Councils to do everything in their power for the general interests of the local authorities within their borders, 2449–2457——Opinion that if the shareholders of the companies are put to any expense in re-investing their money, that is a matter which should be considered by the arbitrators, 2461–2464.

General satisfaction of the London County Council with the Report of the Royal Commission, the extent to which they differ from it being indicated in the Report of the Water Committee of the Council, dated the 1st February, 2487, 2488——Object of the Bill introduced by the Council in 1893 to obtain powers to acquire some new source of water supply for London, the opposition to the Birmingham Bill of 1892 having been based on the opinion that a new source was imperatively necessary; decided opinion that the arbitrators should have regard to the possibility of new sources, 2489, 2493.

Evidence to the effect that a suggestion in 1852 for an amalgamation of the Lambeth and the Southwark and Vauxhall Companies met with so determined an opposition that it had to be abandoned, 2494–2495——Explanation that the reason why the attention of Parliament has not been drawn to the fact that the companies are charging their maximum, notwithstanding their pledges to the contrary, was that there was no legal body that could have dealt with the question until 1892; desirability of the arbitrators considering the matter, 2496–2498.

Contention that the Southwark Company are making their income by selling water to which they have no right, and that, therefore, their charges are wholly, or in part, illegal, 2496–2500——Statement that under the Northwich Clause the undertaking was to be purchased, not at the value to the owner, but at the value to the purchaser, 2504-2506.

Adherence of witness to his previously expressed opinion that all the instructions to the arbitrators inserted in Clause 6 of the Lambeth Bill are absolutely necessary; illustration of the hardship that might arise to the County Council if they were omitted, 2507–2521——Probability that the arbitrators would not, without a special direction, consider the Report of the Royal Commission, 2522–2525.

Explanation that the allowance of 10 per cent. in case of compulsory purchase has not been established by Statute, but exists as a custom, 2526–2528.

[Fifth Examination.]—Further evidence in support of the statement that the water companies gave pledges in 1852 to recede from their maxima, which they have not kept; dissent from the suggestion that the pledges were given on condition that the Bills were passed as they stood, 2892 *et seq.*——Explanation that the companies are not all in the same position in regard to the pledges given in 1852, some of the companies not having then had Bills before Parliament, 2923–2928.

Contention that the point in discussion with regard to the rates in 1852 was whether the principle of a maximum rate that could be receded from in the majority, probably, of instances was a reasonable mode of rating property for payment for the supply of water, 2929–2935——Evidence to the effect that although the Kent Company had a Bill in 1852 they did not get their rates fixed until 1864, the East London Company's rates having been altered in 1853; 2936.

Croydon. Active competition carried on between the Corporation of Croydon and the Lambeth Company, *Binnie* 2589–2591.

D.

Debenture Holders. Particulars respecting the means taken under the Bill to provide for the perfect security of the debenture holders, *Harrison* 214. 216–219 —— Discussion concerning the fairness of taking the depressed year 1893 as the market value at which debenture stock is to be paid; opinion that it is immaterial to the London County Council, and that a clause could be inserted to secure debenture holders, *ib.* 570–585.

Information in connection with the position of debenture holders should portions of the undertaking be sold to various other authorities outside London; there is no power to partition until purchase is complete, *Harrison* 678–703 —— Willingness of witness to insert any clauses for the protection of debenture holders, *ib.* 702, 703.

Statement that the liability to pay the interest on the debenture stock will be continued under the Bills, and that the Council has every desire to make the debenture stock absolutely secure; opinion that the case would be very fairly met if the companies settled with their debenture holders on receiving the purchase money, *Cripps* 2363–2376. 2471–2480.

See also *Sinking Fund.*

Demand Notes (*Application for Water Rate*). Form of notice of the Southwark and Vauxhall Company with reference to applications for water rates, *App.* 317.

Forms of notice of the Lamheth Company with reference to applications for payment of water rates, *App.* 318–320.

Dissolution of Parliament. Announcement by the Chairman of the Committee on 27th June that it will be hopeless to proceed with the inquiry if the dissolution of Parliament should take place, as expected, at an early date, *p.* 302—— Termination of the inquiry on 3rd July, in view of the dissolution, *p.* 303.

Dividends. See *Bank Dividends.* *Maximum Dividends.* *Rates and Charges.*

E.

Eachus, George Eedes. (Analysis of his Evidence.)—Estimate that the increase in the urban population of Middlesex is about 50 per cent. in ten years, 3738, 3739. Satisfactory nature of the water supply obtained from the wells, 3740, 3741—— Contention that the purchase by the Middlesex County County from the London County Council of the portion of the supply within the outside district would greatly increase the rate in Middlesex, 3742–3753.

East London Water Company. Information relative to the Bill introduced by the East London Company in 1881 for raising capital, which was opposed by the Metropolitan Board of Works; statement that the Lords' Committee struck out everything except the clause making good certain Acts done by inadvertance, and the Commons' Committee inserted the auction clauses, *Cripps* 1410–1424 —— East London Company's Bill of 1894 for power to raise 500,000*l.* passed subject to the sinking fund clause, *ib.* 1480–1487.

Statement as to the company having been obliged to economise their supply in September 1894 to the extent of ten millions of gallons daily, Sir *J. Evans* 3777, 3778 —— Evidence to the effect that the diminution in the available supply in September 1894 was not the result of a deficiency of rainfall, *Hopkinson*, 3805–3810.

See also *Essex.* *Waltham Holy Cross.*

Ebbitts, Daniel John. (Analysis of his Evidence.)—As engineer and surveyor to the Acton District Council, witness advocates an alteration in Clause 24 of the proposed Bill, which limits the daily supply in bulk to local authorities to a maximum of thirty-five gallons per head; contention that in Acton, which is peopled largely with laundrymen, this supply would be insufficient, 3761–3770.

Employment of Labour (*London County Council*). See *London County Council.*

Essex. Inquiry as to whether the London County Council is prepared to negotiate with Essex on the same terms as with Surrey; explanation that those terms may not be consistent with the views of all outlying authorities, *Harrison* 1160-1162. 1169–1175—— Necessity for purchasing that portion of the water supply which is within the county of Essex, outside London, *ib.* 1166, 1167—— Opinion that Essex could not actively appear and intervene against the water company, *ib.* 1176–1178.

Representation on the part of the Essex County Council (witness being chairman of the Water Committee) and of the local suburban district councils, that the water supply of Essex outside London should be under an Essex authority, there being several objections to the London County Council as the authority, *Whittingham* 3329 *et seq.*

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Essex—continued.

Very large area in Essex supplied by the East London Company, as compared with the area of supply in the county of London; rapid increase of population and of water supplies in the former area, *Whittingham* 3335–3347. 3365. 3857–3859——Apprehension lest if the whole supply were under the London County Council in times of drought, the demands of the inside area would be first considered to the prejudice of the outside districts, *ib.* 3348——Expediency (if there be any transfer) of the transfer being direct to the Essex authority, instead of a purchase and re-sale by the London County Council, *ib.* 3349. 3365. 3371. 3387–3411.

Strong feeling in suburban Essex in favour of the municipalisation of the water supply in Essex, and of direct purchase of the works and mains outside the London area; expediency of the County Council being empowered to constitute a water authority for Essex, *Whittingham* 3353 *et seq.*

Cheapness of the supply of the East London Company as compared with that of the other London companies; hardship upon Essex in this respect if all the companies were bought up by the London County Council at the cost of the ratepayers generally, *Whittingham* 3362–3364.

See also *East London Water Company.* *Outside Areas.* *Waltham Holy Cross.* *West Ham.*

Evans, Sir John. (Analysis of his Evidence.)—Is Chairman of the Parliamentary Committee of the Hertfordshire County Council; represents the special case of Hertfordsire, 3771, 3772.

Objection to the intervention of the London County Council in the affairs of Hertfordshire, 3773. 3780——Information as to the serious depletion of the water supply of the county by the demands of the two London companies; opinion that the transfer of these companies to the London County Council would increase this demand, 3774–3782. 3785——Disagreement with the report of the London Water Commission in 1893 as to the possibility of largely extending the supply from wells in the Lea Valley, 3777, 3778.

Explanation as to the general theory of the effect of the rainfall on the water supply of Hertfordshire, 3784——Opinion that in the future a limit should be placed on the amount of water to be pumped from the county, 3788–3798——Reasons which led Hertfordshire to petition against the Lambeth and the Southwark and Vauxhall Bills, 3799–3803.

F.

Farrer, Lord. View expressed by Lord Farrer that it might be better for the supply to remain in the hands of the companies than for it to be transferred to the London County Council, as further intensifying the labour difficulty, *Sir J. Lubbock*, 2945.

Fenwick, Thomas. (Analysis of his Evidence.)—Is a Member of the Institution of Civil Engineers and a Fellow of the Surveyors' Institution; has had thirty years' experience in the construction of waterworks, &c., 3665–3668.

Information respecting the works of the Grand Junction and the West Middlesex Companies, showing that the larger population supplied by them lies within the metropolitan area, 3669–3680. 3703–3710——Grounds for the conclusion that the water supply of Middlesex should not be in the hands of the London County Council, 3681–3683——Reference to the probable necessity of obtaining for London a water supply from Wales; contention that this is unnecessary for Middlesex, and would greatly reduce the rating power, 3684–3689.

Explanation of a scheme of transfer by which the West Middlesex Company should supply inner London, and the Grand Junction the outer districts, 3690–3692. 3711–3726——Decided objections of the Middlesex County Council to come under the control of the London County Council, 3693. 3701, 3702. 3723–3726——Detailed information as to the higher charges made in several districts for the supply to outside areas, 3694–3700.

Filter Beds. See *Outside Areas.* *Plant, &c.*

Frost (Interruption of Supply). General opinion that the breakdown of the companies' supply during last winter was due to the mains being laid too near the surface, and to the companies, instead of continuing the water supply in their mains, shutting it off; no doubt that the companies, when discussing this matter before the arbitrators, would point out that they got their money whether they supplied the water or not, *Cripps* 1568–1574.

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G.

Grand Junction Water Company. Rejection, on the Second Reading, of the Grand Junction Company's Bill of 1888, proposing to take more water from the Thames, *Cripps* 1466——Possibility of a scheme of transfer being arranged between the Grand Junction and West Middlesex Companies, *Bigwood* 3656–3660.

Information respecting the works of the Grand Junction and West Middlesex Companies, showing that the largest population supplied by them lies within the metropolitan area, *Fenwick* 3669–3680. 3703–3710——Explanation of a scheme of transfer by which the West Middlesex Company should supply inner London, and the Grand Junction the outer districts, *ib.* 3690–3692. 3711–3726.

H.

Halsey, Edward Joseph. (Analysis of his Evidence.)—Witness, who is a Justice of the Peace for the county of Surrey and for London, has been Chairman of the Surrey County Council for three years, 3825.

Explanation of the views of Surrey as expressed at a Conference attended by representatives of various local authorities on 30th July 1894; unanimous resolution that the means of water supply within the county should be acquired by the Surrey County Council, and, failing this, that the Lambeth Transfer Bill now under consideration should be strenuously opposed, 3827–3836——Evidence showing that the above resolution was confirmed at a subsequent meeting convened by the Surrey County Council in March 1895; 3833–3841.

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Evidence to the effect that the resolution to press forward the Bills for the purchase of the Lambeth and Southwark and Vauxhall Companies was carried in the County Council by sixty-six votes against thirty; withdrawal of proposal to insert a clause rendering the Bills inoperative until all the Bills had been dealt with, *Cripps* 1515–1527A.

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1. *Explanation generally as to the Powers and Constitution, &c.*—continued.

Reference to the frequent reports issued by witness in regard to the rainfall, population, pollution of water &c., all of which reports were considered by the Council when preparing the Bill, *Binnie* 2560–2563.

Grounds upon which the Parliamentary Committee deny the contention that the Council is more overburdened with work than the corporations of certain large provincial towns, and could not find time for the proposed additional work, *App.* 310.

Detailed report of the proceedings at a meeting on 8th May 1891, of the London County Council, and of the representatives of several outside local authorities, with reference to the London Water Supply Bills of that year, *App.* 331–340.

2. *Evidence adverse to Administration of the Water Supply by the Council; Contention that the Council is already over-burdened with Work:*

Five different reasons for which witness considers it very undesirable that the London County Council should undertake the management of the water supply of the metropolis, *Sir John Lubbock* 2942–2947——Strong objection on the ground that the Council has no practical experience whatever upon the question of management, *ib.* 2943——Further objection in so far as the Council is a changeable body, those members serving on a water committee being liable to lose their seats whenever there is an election, *ib.* 2944.

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Statement showing that the London County Council was far from unanimous in the prosecution of the Transfer Bills; comparatively small majority if the aldermen were eliminated, *Sir J. Lubbock* 2949–2958. 2967–2969. 2973, 2974.

Further grounds for the conclusion that the London County Council is already overburdened with work, and that the Water Committee of the Council, though sitting weekly, could not efficiently administer the complicated water supply of the metropolis with its four-and-a-half millions of inhabitants, *Sir J. Lubbock* 3075–3085——Large amount of labour to be employed by the County Council in the working of the water companies; reference hereon to the practice at Birmingham and other provincial towns, *ib.* 3100–3104.

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See also *Arbitration. Competition. Essex. Farrer, Lord. Hertfordshire. Kent. Middlesex. New Sources of Supply. Outside Areas. Purchase of Undertakings. Ratepayers. Redemption of Stock. Regulation and Control of Companies. Separate Bills. Surrey. Water Trust.*

London Water Commission. Reports of the Parliamentary Committee respecting the proposals of the Corporation of London as to the constitution of the London Water Commission, and the powers and action of the Commission with reference to the water supply; objections urged by the Committee on several grounds, *App.* 307–315.

Lovegrove, Edwin James. (Analysis of his Evidence.)—Grounds for the conclusion that the well within the Hornsey district is more than sufficient for the wants of the inhabitants, and that there is no reason for its being handed over to the London County Council, 3754–3759.

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Lubbock, Sir John, Bart., M.P. (Analysis of his Evidence)—*continued.*

Surrey consumers of the Lambeth Company would have to pay more for their water under the transfer scheme than if they remain under the Company, 2998–3015—— Liability and risk of loss incurred by the shareholders in the Lambeth Company if a large capital outlay be necessary for an increased supply, whereas this risk would fall on the ratepayers under the County Council scheme, 3011.

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Mains. Grounds for the opinion that although an arbitrator could, under the Lands Clauses Act, inquire into the condition of the reservoirs, he could not, in the absence of some direction, go into the question as to whether the mains had been laid at a proper depth, *Cripps* 2017–2040.——*See* also *Frost. Plant.*

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Market Value of Undertakings. Approximate aggregate market value of the undertakings of the water companies somewhere between 30,000,000*l.* and 35,000,000*l.*; opinion that the value is very much over-estimated, having regard to all the circumstances, *Cripps* 2300–2304. 2482–2486.

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Maximum Rates. See *Rates and Charges.*

Metropolitan Board of Works. Long controversy with the water companies, extending from 1878 to 1892, in regard to the technical difficulties preventing the Metropolitan Board of Works and the London County Council from dealing with the water question, *Cripps* 1393, 1394——Reference to the Competitive Supply Bill brought in by the Metropolitan Board in 1878, which had to be abandoned in consequence of the loud outcry against it, not only from the water companies but from the local authorities and others, *ib.* 1407.

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Statement by Mr. Littler, in his capacity as chairman of the Middlesex County Council, at the conference of local authorities in 1891, that the Council insisted upon an independent control of their own water supply and of the sources of supply, *Sir J. Lubbock* 3089, 3090.

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Explanation of the views of Middlesex upon the water question, as expressed by Mr. Littler at a conference summoned by the London County Council in May 1891, and subsequently confirmed in May 1895; desire of the county to hold a totally independent position, *Bigwood* 3587–3607. 3615–3619. 3536–3645. 3648–3651——Details respecting the resolutions adopted by the Middlesex County Council on the rejection of the London Water Commission Bill and the London Water Supply Bill; objection to any more water being abstracted from the Middlesex area, *ib.* 3608, 3609.

Reference to statement by Mr. Littler (as chairman of the Council), at a second conference held in July 1894; approval of purchase by the county of the portion of the undertaking appropriate to its use, *Bigwood* 3610–3614. 3645. 3654, 3655.

Grounds for the conclusion that it would be antagonistic to the interests of Middlesex if the powers of supply in the county were acquired by the London County Council, *Bigwood* 3620–3631. 3634, 3635.

Concurrence in the view that the water supply of Middlesex should not be in the hands of the London County Council, *Fenwick* 3681–3683——Reference to the probable necessity of obtaining for London a water supply from Wales; contention that this is unnecessary as regards Middlesex, and would greatly reduce the rating power of the county, *ib.* 3684–3689——Decided objections of the Middlesex County Council to come under the control of the London County Council, *ib.* 3693. 3701, 3702. 3723–3726.

Examination to the effect that the Middlesex County Council has not power to promote Bills; illustration in the case of the River Brent in 1893, *Austin* 3727–3737.

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Contention that the purchase from the London County Council by the Middlesex County Council of the portion of the supply in the outside district would greatly increase the rate in Middlesex, *Eachus* 3742–3753.

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Money Bill (*London County Council*). Consideration of the security for the thirty or forty millions sterling to be paid for the purchase of the water companies; evidence showing that it will be provided for by the annual Money Bill, but in the inconceivable event of this Bill not passing the security would be a charge on the county rate, *Harrison* 499-503. 509–542——Reference to the Money Bill introduced by the Council to satisfy the liability of the undertakings as being necessarily a public Bill, the period of proposed repayment being extended to 100 years, *ib.* 1385, 1386.

Monopoly. Reasons which lead witness to believe that there is a monopoly in the water companies outside London, *Harrison* 364–389. 1235–1261——Grounds which led to the insertion of a proviso in Section 24 of the Bill to the effect that if the Council have to pay for the abolition of a monopoly the arbitrator shall have regard to that award, *ib.* 1326–1333——*See* also *Competition.*

Moulton, John Fletcher, Q.C., M.P. (Analysis of his Evidence).—Was an Alderman of the County Council at the time the present Bill was decided upon, 2614–2616.

Examination in detail to the effect that the instructions to the arbitrator are necessary and should be defined by Parliament in order that no ambiguity should arise as to the interpretation of the words "fair and reasonable value," 2617–2620. 2646–2655. 2665, 2666. 2679–2682. 2695. 2720–2723. 2741–2750. 2841-2843. 2889——Possibility of an arbitrator under the Lands Clauses Act fixing the price at market value; grounds for the objection of the London County Council to purchase the water companies at repute price or the market value of the stock, 2617. 2682. 2696–2723. 2751–2758. 2801–2820. 2850–2854.

Opinion that the returns of a company may be swollen by excess of charge or deficiency in the performance of their duties, and that this should be taken into consideration in effecting an arbitration, 2618. 2759–2768—— Attention called to the first sub-section of Clause 6; belief that this proviso is necessary as a return has to be discounted if companies have not kept abreast of their liabilities, 2621–2626. 2716–2719. 2868–2871.

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Examination in regard to the precedent for the variation of the language of the Lands Clauses Act by the use of the words "fair and reasonable value"; contention that the justice of this requisition is not to be tested by precedent, 2671–2678A. 2864–2867——Discussion as to whether the improper rejection of evidence by an arbitrator does not afford a ground for setting aside an award; belief that under the Arbitration Act of 1889, the result does not follow, 2684–2694. 2820–2834. 2873–2889.

Conclusion that the terms of purchase in previous cases generally have not been properly adjusted, 2737–2740——Contention that the first section of the proviso of Clause 6, dealing with back dividends, does not alter the law of the kingdom, 2769–2785. 2855, 2856——Justification for the second section of the proviso, which enacts that no allowance is to be made for any assumed future increase in the rateable value of buildings, 2785–2793. 2857–2863.

Further objections to the purchase of the water companies by arbitration under the Lands Clauses Act, 2794–2800. 2844–2849——Illustration in the tramway case of the difficulties arising under the Arbitration Act, 2835-2843.

Municipalisation of Water Supply. Approval of the expropriation of the water companies, on the ground that water is not the proper subject for free trade, *Beachcroft* 3501–3504.——*See* also *London County Council. Water Trust.*

N.

New Sources of Supply. Question as to the reason for directing the arbitrator to consider the probable necessity of the future introduction of a new source of supply; reference hereon to the Report of the Royal Commission respecting the necessity of new reservoirs at a great capital outlay, *Harrison* 817–830. 842——Desire of the London County Council that the arbitrator should have due regard to the Report of the

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the Royal Commission of 1890; necessity of the direction to the arbitrator to consider the probability of a new source of supply being required, *Cripps* 1796 *et seq.*

Object of the Bill introduced by the Council in 1893 to obtain powers to acquire some new source of water supply for London, the opposition to the Birmingham Bill of 1892 having been based on the opinion that the arbitrator should have regard to the possibility of new sources, *Cripps* 2489–2493.

Evidence showing that the London County Council is practically committed to procure an additional supply from a distant source, *Beachcroft* 3466-3472. 3496–3501.

See also *Arbitration. Thames. Supply* (*Generally*).

Northwich Water Company. Grounds for preferring the Northwich Clause to the Ambleside Clause as regards the conduct of purchase by arbitration, *Cripps* 1977–2001——Statement that under the Northwich Clause the undertaking was to be purchased, not at the value to the owner, but at the value to the purchaser, *ib.* 2504–2506.

O.

Obligation to Supply. Reference to the differences in respect of the obligations of the companies in regard to the laying of pipes and the supply of water; statement that by the Act of 1834 the Lambeth Company are "obliged to supply," the only modification being a particular height, viz., 150 feet above Trinity High-water Mark, *Harrison* 122——Conclusion that in the County of London the companies are bound to supply, but that outside the county it is not compulsory, *ib.* 364–389. 1235–1261.

Outside Areas:

Explanation in regard to the outside areas of certain companies, such area in the case of the Kent Company being 174 square miles, whilst the Lambeth Company has sixty-two square miles, *Harrison* 125–129——Areas south of the Thames exclusively supplied by the Lambeth and the Southwark and Vauxhall Companies, respectively, *ib.* 131, 132.

Information as to the clause dealing with the urban authorities outside London; belief that the Bill makes no alteration of the existing law, *Harrison* 1188–1197——Evidence purporting to show that the London County Council is on a totally different footing and position to the Kent and other County Councils by reason of the Public Health Act of 1891; *ib.* 1199–1218.

Opinion that it would be no disadvantage to the outside authorities to place the water administration under the London County Council instead of leaving it with the companies, *Harrison* 1276–1286——Examination as to the probability of a higher water rate being inflicted on outside authorities in the event of poorer districts having a free supply of water or of the supply being brought from Wales; remedy in Section 24 which empowers urban authorities to take water in the bulk and establish their own charges, *ib.* 1287–1313.

Consideration of Section 24 of the Bill which provides for the compulsory sale to the local authorities of certain portions of the water undertakings at a price to be fixed by arbitration; testimony to the willingness of the Council to sell, *Harrison* 1314–1325——Satisfactory nature of the agreements entered into with the local authorities of Surrey and Croydon, the only outside parties interested in the present Bills; willingness of the Council to negotiate on similar lines with Kent and Middlesex when their cases appear, *ib.* 1367–1375.

Willingness of the London County Council to come to an arrangement with all the other county authorities on the same basis as that agreed to with Surrey; opinion that this is more a matter of detail than of principle, *Cripps* 2409–2413. 2421 *et seq.*

Comparison of the area of the water supply with the area of population supplied, showing about two-thirds of the area of the companies to be outside of the County of London, and one-third within, whilst the proportion of population is about reversed, *Binnie* 2541–2546. 2550–2554.

Examination as to the local authorities present at a conference at Spring Gardens in May 1891, and as to the resolutions then adopted upon the question of transfer of the companies' undertakings and upon the arrangements to be made with the outside authorities; inadequacy of the discussion on this occasion, *Sir J. Lubbock* 3016. 3051——Explanation as regards a further conference at Spring Gardens on 30th July 1894, that

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that witness was not present on this occasion and cannot speak as to the proceedings thereat, *Sir J. Lubbock* 3046–3052——Desire shown by the Council to treat the ouside authorities with every possible courtesy and respect, *ib.* 3053, 3054.

View of the local authorities in Kent that the sources of supply as well as the mains, &c., should be entirely in their own hands; resolution to this effect as regards all the outside areas passed at the Conference in 1891, *Sir J. Lubbock* 3090–3092.

Insistence, on the part of Beckenham, upon complete severance from London and full local control, witness not being qualified to express an opinion upon the question whether the London County Council is the proper authority for administering the supply in the metropolis, *Randell* 3229 *et seq.*; 3241–3252. 3269–3283——Several respects in which it might be disastrous to the outside districts, as in Kent, if the London County had the control, and if the outside local authorities were at their mercy as regards the diversion of supply to London, the charge for supply in bulk, &c., *ib.* 3232–3240.

Examination upon the question of the willingness of the London County Council to give assistance to the counties generally in the outside areas, *Bigwood* 3646, 3647. 3661–3664.

Detailed report respecting the Conference held on 30th July 1894 between the Water Committee (London County Council) and representatives of County Councils and local authorities outside the County of London, but within the area of supply of the metropolitan water companies, *App.* 340–349——Copy of paper circulated to the representatives of the outside authorities, together with circular letter from the London County Council, *ib.* 340, 341.

List of petitions against the Bill from various outside local authorities, *pp.* 1–4.

See also *Acton. Beckenham. Essex. Hertfordshire. Kent. Middlesex. Surrey. Waltham Holy Cross.*

P.

Petitions. No doubt that the result of the London County Council proceeding by eight Bills, rather than by one, will be to multiply the number of petitions from local authorities to some extent, but that it lessens the number that need be heard at the same time and very considerably reduces their contents, *Cripps* 2414 *et seq.*

List of petitions against the Lambeth Water (Transfer) Bill, *pp.* 1–4.

Pipes. See *Mains. Plant*, &c.

Plant (*Pipes, Reservoirs, Filter Beds, &c.*). Explanation that the engineer of the London County Council will give evidence on the first sub-section of Clause 6, viz., "The condition and state of repairs;" grounds for justifying this proviso, *Harrison* 177. 322–340—— Conclusion that it is only fair that regard is to be paid by the arbitrator to "plant that has become wholly or partially useless," *ib.* 662–673.

Witness submits that the condition of the company's reservoirs, filter beds, machinery, and plant, and the probable future expenditure thereon, is a fair matter for the consideration of the arbitrators; evidence in support of the contention that it is reasonable to consider whether there is efficient storage, and whether the water is efficiently filtered before delivery, *Cripps* 1496–1500. 1528 *et seq.*——Absolute necessity, on the principle of *expressio unius*, of instructing the arbitrator to have regard to the condition of the reservoirs, &c., *ib.* 1744–1748.

Concurrence of witness in the statement that the arbitrator could take into consideration, without an instruction, the condition and state of efficiency of the reservoirs, &c., *per se*, but not as involving a future liability on the companies, *Cripps* 2002–2016.

Suggestion that the sub-section relating to the deduction which may be made for insufficiency of present storage, and also the section on obsolete plant, are both amplifications of Sections 1 and 3, *Moulton* 2638–2645.

Priest, James Danvers. (Analysis of his Evidence.)—As Medical Officer of Health for Waltham Holy Cross, witness submits information as to the large supply of exceedingly pure water obtained by the East London Company from a deep well at Waltham Holy Cross, 3850–3854. 3857, 3858—— Reference to an agreement with the East London Company for a free supply to the poorer inhabitants of the district, 3855, 3856.

Objection to the supply of other water by the London County Council in lieu of the local well supply, 3859–3866——Explanation that fifteen hours pumping by the East London Company lowers the water in the well seventy feet, 3867–3870.

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Purchase of Undertakings. Reasons for postponing the second reading of six out of eight Bills; assurance that these Bills will not be dropped, although witness objects to the insertion of a clause to the effect that any one purchase shall not be completed until notice of acquirement has been given to all the companies, *Harrison* 231–255. 283–312. 259–277. 281, 282——Objection to the requisition, as recommended by Sir Matthew White Ridley's Committee, to purchase the whole of the eight companies within a fixed period, *ib.* 811–817.

Statement that since 1880 witness has advised on every Bill brought in affecting London, including all the Bills of the water companies; introduction into every Bill relative to water companies of provisions clearly indicating the policy of Parliament in favour of the ultimate purchase of the undertakings, *Cripps* 1398–1403. 1410 *et seq.*

Indication by Sir William Harcourt's Committee in 1880 of three courses which might be adopted in dealing with the companies, namely, competitive supply, regulation, or purchase; tendency of all the Acts passed since then towards acquisition rather than competition or regulation, *Cripps* 1400, 1401. 1410 *et seq.*; 1489.

Certainty that the anomalies and inconveniences of the present system are so considerable that if there were no question of purchase they would have to be dealt with at once; decision of the County Council that the fairest course, both for the companies and the public, is purchase on equitable terms, *Cripps* 1408, 1409.

Rejection of the Kent Company's Bill for extension of limits and power to raise 100,000*l.*, and the Southwark Bill for power to raise 280,000*l.* in 1885, the opposition being based upon the one point that the passing of the Bills would interfere with the ultimate acquisition of the undertakings on fair terms, *Cripps* 1449–1454.

See also *Arbitration. Cost of Purchase. Market Value. New Sources of Supply. Ratepayers. Thames, &c. Separate Bills. Transfer before Arbitration, &c.*

Q.

Quality of Supply. Entire absence of complaint, on the part of Beckenham, against the quality of the Lambeth supply, the Kent water being, however, better for dietetic purposes, *Randell*, 3256–3268.

R.

Randell, Dr. Reginald Maurice Henry. (Analysis of his Evidence).—Witness, who is Chairman of the Water Committee of the Beckenham Urban District Council, submits strong objections on the part of the Council, and of other local authorities in Kent, to any control of the water supply in their districts being vested in the London County Council, 3220 *et seq.*

Rapid increase in the population of Beckenham; also, in the rateable value, 3223–3226——Several grounds upon which the Beckenham District Council and other local bodies urge that the water supply should be vested in the local authorities, and that there should be complete and absolute severance from the London County Council and from London, 3229 *et seq.*

Preference for the preference system of the companies rather than for transfer to the London County Council, 3233——Several respects in which it might be disastrous to the outside districts if the London County Council had the control, and if the outside local authorities were at their mercy as regards the diversion of supply to London, the charge for supply in bulk, &c., 3232–3240.

Insistence upon complete severance from London and full local control, witness not being qualified to express an opinion upon the question whether the London County Council is the proper authority for administering the supply in the metropolis, 3241–3252. 3269–3283——Much larger supply by the Lambeth Company than by the Kent Company in Beckenham 3253–3255——Satisfactory quality of the Lambeth supply, though the Kent water is superior dietetically, 3256–3268.

Rateable Value. Reference to the second part of the proviso, at the end of Clause 6, that no allowance is to be made "in respect of any assumed further increase of the rateable value, &c."; grounds for the necessity of this clause, *Harrison* 204–209, 459–468.

Opinion that the arbitrators should be prohibited from making any allowance in respect of any assumed further increase of the rateable value of property, as there is no reason why more money should be paid to the water companies in consequence of

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the people of London having by their own requirements increased the rateable value, especially when there is no increased consumption of water, *Cripps* 2080–2122.

Grounds upon which witness justifies the second section of the proviso, which enacts that no allowance is to be made for any assumed future increase in the rateable value of buildings, *Moulton* 2785–2793. 2857–2863.

Ratepayers (*Metropolis*). Reference to the Kent Water Company as illustrating the advantageous position of the ratepayers under the present system, they sharing, in the form of reduction of the water rate, in any excess of profits above the maximum dividend; prejudice, on the other hand, to the ratepayers under the proposed transfers, *Sir J. Lubbock* 2946, 2947. 2965, 2966. 3058, 3059. 3072——Contention that the transfer of the companies would inevitably add very largely to the rates of the metropolis, which are at present rapidly increasing, *ib.* 2946.

Decided advantage to the ratepayers in placing the companies under regulation and control instead of buying them up, *Sir John Lubbock* 2966. 2978–2983——Enhanced charge upon the present generation of ratepayers under the Bill, by reason of the necessary redemption of the purchase money within a fixed period, *ib.* 2946. 3072.

View of witness that the present policy of the London County Council in regard to the water question will probably involve loss, and may mean a levy of 8*d.* in the pound on the ratepayers, *Beachcroft* 3464–3466. 3490–3495. 3557.

Rates and Charges (*Lambeth and other Companies*):

Detailed information respecting the charges of the various companies, showing the 7½ per cent. rental fixed by the Lambeth to be the highest, *Harrison* 122–124——Examination as to the amount and the legality of the charges of the Lambeth Company; practice to charge the maximum rating power, except in certain highly-rated areas, and to pay no attention to the wants or necessities of the occupiers or the quality of the water supplied, *ib.* 187–191.

Examination as to the proposed power of the arbitrator in deciding the legality of the charges made by the Lambeth Water Company; opinion that the arbitrator should see whether the charges are reasonable, *Harrison* 397–423; *Cripps* 1700 *et seq.*——Evidence in support of the view that the Lambeth Company are not entitled both to charge a higher rate per cent. than the other companies, and also to charge extra for other than domestic supplies, including 10*s.* per annum for fixed baths; submission by witness of demand notes of the Southwark and Lambeth Companies showing that the latter is misleading, *Cripps* 1585 *et seq.* (*App.* 317–320).

Suggestion that the attention of the arbitrator should be directed to the circumstances under which the existing powers of charging were given by Parliament to the companies, as the distinct pledge in regard to maximum rates given by the companies in 1852 has not been fulfilled, *Cripps* 1700 *et seq.*

Extracts from the speeches made by representatives of the water companies during the inquiry in 1852 against a uniform rate, in support of the statement that the companies represented that the maximum rate would only be charged in particular cases and under certain circumstances, *Cripps* 1707 *et seq.*

Contention that the arbitrator should, when considering the price to be paid, treat the company's statutory maximum rate as a rate that ought to have been receded from in the majority of instances, and that he should also have the possibility of Parliamentary control and regulation clearly within his purview; necessity of an instruction to that effect, *Cripps* 1724 *et seq.*; 1883, 1884. 1902 *et seq.*

Adherence of witness to former statement that in 1852 the companies gave pledges to Parliament that in the majority of instances they would not charge their legal maximum, and that they have broken those pledges; further contention that this matter ought to be brought under the consideration of the arbitrator, *Cripps* 1937–1955.

Explanation that the reason why the attention of Parliament has not been drawn to the fact that the companies are charging their maximum, notwithstanding their pledges to the contrary, was that there was no legal body that could have dealt with the question until 1892; desirability of the arbitrators considering the matter, *Cripps* 2496–2498.

Opinion that, without special direction the arbitrator might not take into consideration the legality of the charges made by the Lambeth Company, *Moulton* 2634, 2635.

Further evidence in support of the statement that the water companies gave pledges in 1852 to recede from their maximum, which pledges they have not kept; dissent from the suggestion that the pledges were given on condition that the Bills were

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Rates and Charges (Lambeth and other Companies)—continued.

were passed as they stood, *Cripps* 2892 *et seq*——Explanation that the companies are not all in the same position in regard to the pledges given in 1852, some of the companies not having then had Bills before Parliament, *ib.* 2923-2928.

Argument that the point in discussion with regard to the rates in 1852 was whether the principle of a maximum rate that could be receded from in the majority, probably, of instances was a reasonable mode of rating property for payment for the supply of water, *Cripps* 2929-2935.

Details as to the higher charges made in some districts for the supply to outside areas, *Fenwick* 3694–3700.

Demand notes of the Lambeth and Southwark and Vauxhall Companies setting forth the rates and charges which are authorised under their Acts, *App.* 317–320.

Examples of annual charges at various rateable values in the cases of the Lambeth, Southwark and Vauxhall, and West Middlesex Companies, and of Birmingham, Glasgow, and Leicester, *App.* 321.

See also *Arbitration. Competition. Legal Powers, &c. Rateable Value. Ratepayers.*

Redemption of Stock (Purchase Money). Conclusion of the London County Council that they should be allowed at least 100 years (instead of sixty) within which to provide for repayment of the purchase-money, *Harrison* 1385, 1386; *Cripps* 1770——Argument in support of the contention that the period of redemption of the stock created in connection with the purchase of the water companies should be 100 years; admission that the general policy of Parliament in recent years has been to shorten the period within which municipal authorities are to provide for their debts, *Cripps* 2305–2329. 2344, 2345. 2480, 2481.

Necessity of the Council paying not only for the water, but for the redemption of the stock, thus entailing an enhanced charge upon the present generation of ratepayers, *Sir J. Lubbock* 2946. 3072.

Regulation and Control of Companies. Conclusion that as it appeared certain that the acquisition of the water companies' undertakings was in view, a Bill for the regulation of the companies would have been complained of as intended to cripple the companies previous to purchase, *Cripps* 1402–1406——Proposal of the Government in 1845 that the companies should be consolidated and placed under the control of a Government Department; admission that the Government was then content with arbitration without special instructions, *ib.* 2268-2272.

Proposition that on the board of each company there should be a representation, separately, of the Government, of the London County Council, and of the outside county interested in the supply, *Sir J. Lubbock* 2947, 2948. 2966. 2978–2980——Contemplated limitation of the period for payment of back dividends to six years, the companies being at the same time placed under control; belief that the shareholders should acquiesce in this arrangement, whilst the ratepayers would greatly profit thereby as being far more to their advantage than purchase, *ib.* 2966. 2978–2983.

Opinion that a water trust would be preferable to transfer to the London County Council, though witness advocates control of the companies as the best arrangement, *Sir J. Lubbock* 2984–2991——Check upon extravagant management if there were representatives of the County Councils upon the boards of the companies, *ib.* 3113.

See also *Kent.*

Re-investment by Shareholders. Opinion that if the shareholders of the companies are put to any expense in re-investing their money that is a matter which should be considered by the arbitrators, *Cripps* 2461–2464.

Reservoirs. Probable necessity of an outlay of some 15,000,000*l.* or 20,000,000*l.* in respect of the enormous reservoirs required if the present sources of supply are to be adequate for the next forty years, *Harrison* 390–396. 820-829——Question as to the necessity for the sub-section "The deductions from any compensation claimed by the Lambeth Company, which may in the opinion of the arbitrator be reasonably made in respect of any insufficiency of the present storage," &c., *ib.* 423–427.

See also *Plant, &c.*

Rosebery, The Right Honourable Earl. Quotation of Lord Rosebery in May 1890, as strongly adverse to the London County Council being burdened with further complicated duties, *Sir J. Lubbock* 2946. 3081.

Royal Commission. Application made to the Government in October 1891 by the London County Council, requesting the appointment of a Commission to inquire into the quantity and quality of the water supply, a Royal Commission having been appointed in January 1892, *Harrison* 81–83.

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Royal Commission—continued.

Explanation that the London County Council did not attempt to make out any case against the water companies before the Royal Commission of 1890, though the companies made a very strong case in their own favour; view of the Council that the terms of reference to the Commission excluded the vital question, the Report of the Water Committee being handed in, *Cripps* 1749–1763. 1771 *et seq.*

General satisfaction of the Council with the Report of the Royal Commission, the extent to which they differ from it being indicated in the Report of the Water Committee of the Council, dated the 1st February, *Cripps* 2487, 2488——Probability that the arbitrators would not, without a special direction, consider the Report of the Royal Commission, *ib.* 2522–2525.

Report of the Water Committee of the London County Council, dated 1 February 1895, respecting the conclusions and recommendations of the Royal Commission; exceptions taken thereto on several points, *App.* 322–325.

S.

Select Committee of 1891. Statement that certain recommendations of the Committee presided over by Sir Matthew White Ridley in 1891 were adopted by the London County Council, and formed the basis of its proceedings, *Harrison* 1361–1366.

Report of the Committee of 1891; recommendations therein for a more complete inquiry, *App.* 315, 316.

Separate Bills. Explanation of the reasons which led the County Council to introduce eight separate Bills for the purchase of each of the eight water companies' undertakings, *Harrison* 109–129. 130–148. 256–259—— Contention that the terms of the eight Bills are not identical, *ib.* 259–277. 281–282——Explanation that all the Bills have been read a first time, and that the second reading of six of them is postponed until the middle of June, *ib.* 278–281——Statement that the outside charges will be based on each separate undertaking, each agreement and each arbitration being separate, *ib.* 1179–1183.

Explanation that the chief reason why the Council is proceeding by eight Bills instead of one, is the great differences which exist between the several companies; opinion that if the eight companies had been grouped together in one Bill it would have been quite impracticable to deal with the matter within the limits of one Session, *Cripps* 1764–1768.

Further statement as to the reasons why the recommendation of Sir Matthew White Ridley's Committee to take all the companies or none before a fixed date was not acted upon; possibility that the Council may succeed in justifying the purchase of some of the companies and not of others, *Cripps* 2153 *et seq*; 2277 *et seq.*

Difficulties in the way of inserting a provision in every Transfer Bill that the company which is the subject of the Bill shall not be bought until notice shall have been given to buy all the other companies; opinion that such a provision would defer the whole matter indefinitely, *Cripps* 2171–2196.

Sinking Fund. Introduction in 1886 of Bills for raising capital by the East London, Lambeth and Southwark Companies, which were fought by the City Corporation, the Metropolitan Board standing aside; peculiar and exceptional form of legislation introduced for the first time, giving the public a kind of reversionary interest in the undertakings of these companies, *Cripps* 1455–1463——Attention drawn to the fact that the principle established by the sinking fund clause was carried into the Chelsea Company's Act of 1887, which was of a domestic character, *ib.* 1464, 1465——Explanations respecting the sinking fund clause in the Southwark and Vauxhall Company's Act of 1891, *ib.* 1469–1478.

Principal alteration in the sinking fund clause in the 1894 Acts, that debenture stock should be raised at par, the rate of interest for that purpose being fixed by the Governor of the Bank of England; copy of the clause as it now stands put in, there being a provision that the one per cent. for management shall not be the subject of compensation in the event of purchase of the undertaking, *Cripps* 1488.

Explanation as to the profits on new capital after payment of interest and of a percentage for management going to the formation of a sinking fund, *Sir J. Lubbock* 3093–3099. 3108–3110.

Smith, E. J. (Scheme of 1880). Conclusion of the Metropolitan Board of Works, the Lambeth Board of Works, and the Corporation of London in 1880 that Mr. E. J. Smith's provisional requirements were inadmissible, and that it was necessary to oppose Lord Cross' Bill for the promotion and confirmation of the agreements, *Cripps* 1395–1397.

Sources of Supply. Consideration of the sources of supply of the various water companies, *Harrison* 119–121——Reference to the third sub-section, Clause 6, viz., respecting the adequacy

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adequacy and efficiency of the sources of supply, &c.; contention that this in no way affects the first sub-section, *Harrison* 182–184. 358–363.

Evidence respecting "The probable necessity of the future introduction of a new source of supply;" probability, moreover, that enormous reservoirs will be required, *Harrison* 185, 186. 390–396.

Detailed explanations respecting the sources of supply and the area supplied by the Lambeth and the Southwark and Vauxhall companies, respectively, *Binnie* 2564–2582.

See also *New Sources of Supply.* *Thames, &c.* *Wells.*

South London Water Company. First statutory grant by Parliament to supply the South of London with water in 1785, when the Lambeth Company was authorised to supply the parish of Lambeth and parts adjacent; establishment in 1805 of the South London Company, which afterwards became the Vauxhall Waterworks Company, and was finally amalgamated in 1845 with the Southwark Company as the Southwark and Vauxhall Company, *Cripps* 1593 *et seq.*; 1619. 1626, 1627——*See* also *Competition.*

Southwark and Vauxhall Water Company:

Strong opposition of the Metropolitan Board of Works and the local authorities of every district within the area of the company to the Southwark and Vauxhall Company's Bill of 1883, for extension of limits and amalgamation with the Lambeth Company; non-approval of the preamble of the Bill by the Committee, *Cripps* 1425–1439.

Evidence to the effect that the Southwark and Vauxhall Company's Bill of 1884, seeking extension of limits and an agreement with the Lambeth Company as to the supply of their districts, was petitioned against by the Metropolitan Board, but was passed by the Committee with certain provisions regarding arrangement, *Cripps* 1440–1445——Importance of Section 24 inserted by the Committee of the Southwark Company's Bill of 1884, as being a clear indication on the face of the Act of Parliament itself that a purchase of the undertaking of the company was in contemplation, *ib.* 1445, 1446——Contention with reference to Section 23 of the Act of 1884, that the principle of competition still subsists as between the Lambeth and Southwark Companies, and ought to be recognised, *ib.* 1446–1448.

Introduction by the Southwark Company of a Bill in 1891, to raise 300,000*l.* debenture stock, containing the sinking fund clause; copy of the sinking fund clause as amended by the Ridley Committee, so as to provide that the interest should be invested and held for the purpose of extinguishing the company's capital or otherwise, *Cripps* 1469–1478.

Further Bill introduced by the Southwark Company in 1893 for power to raise debenture stock, opposed by the County Council, and rejected on the second reading in the House of Commons, as it would have complicated the question of acquiring the company's undertaking, *Cripps* 1479.

Amount of capital sought to be raised by the Southwark Company's Bill in 1894 reduced by the amount received by the company in respect of sales, the proposal to take more water from the Thames being dropped, and the sinking fund clause revised, *Cripps* 1481–1487.

Contention of the Southwark Company that they have a right to take 24,500,000 gallons from the Thames per day; certainty that if their legal powers only extend to 20,000,000 gallons per day they are existing by selling water that does not belong to them, *Cripps* 1550–1552.

Explanation with reference to the 23rd Section of the Southwark and Vauxhall Act of 1884, that, although the Southwark and Lambeth Companies were allowed to carry out purely domestic arrangements between themselves, it was expressly provided that no such arrangements should interfere with their responsibilities to the consumers, *Cripps* 1894–1902.

Admission that Clause 3 of the present Southwark and Vauxhall Bill would have the effect of reducing the purchase money which the company might otherwise claim; possibility, however, of Part II. only of the Bill being passed, *Cripps* 1902–1927—— Admission also that the preamble of the Southwark and Vauxhall Bill goes further, as regards arbitration, than the London County Council intend to go, and that evidence will not be given to justify the paragraph in its present form, *ib.* 1955–1973——Doubt as to the arbitrators being, without instruction, entitled to take into consideration any liabilities or obligations that the Southwark and Vauxhall Company may be reasonably required or expected to incur, *ib.* 2040–2048.

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SOUTHWARK AND VAUXHALL WATER COMPANY—continued.

Further contention that the Southwark Company are making their income by selling water to which they have no right, and that therefore their charges are wholly or in part illegal, *Cripps* 2496–2500.

Information as to the manner in which the Lambeth, Southwark and Vauxhall, West Middlesex and Kent Companies overlap; statement that in a district of three and a-half square miles south and east of Westminster Bridge, the Lambeth and the Southwark and Vauxhall pipes are laid in common through the streets, although no active competition exists, *Binnie* 2583–2589. 2592, 2593.

See also *Amalgamation of Companies. Competition. Surrey. Thames, &c.*

Supply (*Generally*). Grounds for the contention that the Royal Commission of 1890 did not report that there was an adequate supply of good water to be got from the watershed of the Thames and Lea, *Cripps* 1771 *et seq.*

Necessity, before dealing in detail with the works of the Lambeth and Southwark and Vauxhall Companies, of giving general consideration to the whole water supply of London, *Binnie* 2536–2540——Conclusion of the Royal Commission that in the year 1931 greater London would have a population of 11,191,934, with a daily requirement of 415,219,732 gallons of water, *ib.* 2547–2550. 2555—— Description of the sources of supply and the districts supplied by the eight companies, *ib.* 2556-2559.

See also *East London Water Company. Essex. Hertfordshire. Kent. New Sources of Supply. Sources of Supply. Surrey. Thames, &c.*

SURREY:

Contention that in the agreement between the London Council and the Surrey County Council the latter contemplate being the water authority for Surrey; notice of witness directed to the report of the Local Government Board and also to a meeting of the Surrey County Council concerning this question, *Harrison* 609–630——Consideration of the part to be taken in the proceedings by the Surrey County Council, should the Bill pass; understanding that they will be consulted and give assistance to the London County Council *ib.* 631–646.

Evidence showing that in the event of the Surrey County Council declining to take over the water supply it would be administered by the London County Council, subject to the present obligations and rights of the Lambeth Company; contention that this would not cause a diversity of interest between the metropolis and the outside districts, *Harrison* 777–808.

Inquiry as to the power of the Surrey County Council to become the water authority for any part of Surrey; detailed explanation hereon of the power of any company or corporation to petition Parliament for a Bill, *Harrison* 1338–1360.

Probable necessity of the agreement between the London and Surrey County Councils having to be confirmed by Act of Parliament; correspondence put in showing that it is the duty of the County Councils to do everything in their power for the general interests of the local authorities within their borders, *Cripps* 2449–2457.

Grounds for the conclusion that the Surrey consumers of the Lambeth Company would have to pay more for their water under the transfer scheme than if they remain under the company, *Sir J. Lubbock* 2998-3015.

Strong disapproval of the provisions of the Surrey agreement being applicable to Kent, *Sir J. F. Lennard* 3130–3132. 3198, 3199. 3205, 3206.

Disapproval by Essex of the Surrey agreement, *Whittingham* 3350–3352.

Explanation of the views of Surrey as expressed at a conference attended by representatives of various local authorities on 30th July 1894; unanimous resolution that the means of water supply within the county should be acquired by the Surrey County Council, and, failing this, that the Lambeth Transfer Bill should be strenuously opposed, *Halsey* 3827–3836——Confirmation of the above resolution at a subsequent meeting convened by the County Council in March 1895; *ib.* 3837–3841.

Strong objection to the insufficient protection afforded by the Bill as regards the Surrey outside districts; illusory character of the provisions of Clause 23 on this point, *Halsey* 3847——Claim of the Surrey County Council to the absolute right to the water, the pumping, the reservoirs, and the filter beds, *ib.* 3847.

Necessity of restricting the power of the London County Council to take, for for the use of London, water derived from, and required by, Surrey, *Halsey* 3848.

Correspondence in May, 1895, between the Local Government Board and the Surrey County Council with reference to the action of the latter body in connection with the Lambeth and the Southwark and Vauxhall Transfer Bills, *App.* 325–328.

See also *Arbitration. Outside Areas. Thames, &c.*

T.

THAMES (WATER SUPPLY):

Summary of the debates and reports which eventually led to the London County Council resolving in July 1894 that the acquisition of the water supply should be dealt with by the Parliamentary Committee, it being the unanimous opinion of this Committee that no more water ought to be taken from the Thames Valley as being more or less polluted, *Harrison* 101–108.

Particulars as to the great difference between the statutory provisions of various companies with regard to the quantity of water they may draw from the Thames; experience that those having no outside area to supply draw the largest quantity, *Harrison* 138–142.

Examination in regard to the second sub-section, Clause 6, viz.: the legal powers of the company to take water, and the probability of such powers being limited; strong objection of the Thames Conservancy to any water beyond the legal limit being taken from the Thames Valley, *Harrison* 178–182. 341–357.

Considerable doubt as to what are the legal powers of the Lambeth Company to take water out of the Thames, the Thames Conservany having granted the company power to increase the daily quantity from 20,000,000 to 24,500,000 gallons after Sir Hussey Vivian's Committee refused to insert a clause to increase the quantity in the Bill of 1878; *Cripps* 1548, 1549.

Claim of the Lambeth Company as landowners to a legal right to pump up water out of their own land; opinion however of the Royal Commission that as this water is either intercepted on its way to, or abstracted from the Thames, it must be included in the 20,000,000 gallons to which the company are restricted, according to witness' view, *Cripps* 1550–1552.

Opposition of the County Council to the Thames Conservancy's re-organisation Bill of last year, because it proposed to legalise the arrangements under which the two water companies each took 24,500,000 gallons per day from the Thames; result that the companies were forbidden to take any further quantity, *Cripps* 1553–1560.

Proposals of the County Councils of Hertfordshire, Kent, and Middlesex, and of the Thames Conservancy, that the power of the Lambeth and Southwark Companies to take water from the Thames shall not be extended beyond 24,500,000 gallons per day; special necessity of the clause enabling these proposals being brought to the attention of the arbitrators, *Cripps* 1563, 1564.

Attention drawn in the report of the Local Government Board on the Lambeth Company's Bill that the company must not rely upon their power to take water at Long Ditton; belief that although this source is an improper one it is sometimes used, *Cripps*, 1565, 1566.

Evidence to the effect that in no single case have the London water companies paid for their source of supply; contention that the authority representing the inhabitants of London has certain rights in the water of the Thames, and that the legal powers of the companies to take water should be considered by the arbitrators, *Cripps* 1641–1644.

Chief provision of the Government Bill of 1851, that no more water should be taken in at the then existing sources from the Thames; opposition of all the water companies to the Bill, the result, however, being that the companies had to go higher up the river for their supplies, *Cripps* 1645–1655.

Consideration of the important question of the flow of the Thames, which varies considerably; table handed in illustrating the dry weather flow of the river, *Binnie* 2594–2606—Additional table handed in showing that occasionally the companies draw from 28¼ to 44 per cent. of the total annual natural volume of the Thames, *ib.* 2607-2611.

Inquiry respecting "The legal powers of the Lambeth Company to take water, &c."; justification for the insertion of this sub-section (Clause 6), and also of No. 4, to which it is similar, *Moulton* 2627–2633. 2724–2736. 2872–2889.

Tabular statement showing for the years 1884, 1885, 1887, and 1893, the daily average natural flow in million gallons, inclusive of the quantity abstracted by the water companies, *App.* 329.

Table showing the actual flow and the natural flow of the Thames at Teddington Weir, and the abstraction by the water companies in the months of July, August, and September 1893 and 1894, *App.* 329.

Table showing, for the year 1894, the daily quantities of water claimed or taken from the Thames above Molesey by each of the six companies which claim the right to draw from the river, *App.* 330.

See also *Grand Junction Water Company.* *Southwark and Vauxhall Water Company.* *Supply (Generally).*

Tramways. Illustration in the tramway case of the difficulties arising under the Arbitration Act, *Moulton* 2835–2843.

Transfer before Arbitration and before Payment. Explanation that the transfer as proposed will take place before the arbitration; examination as to the equity of this proposal, *Harrison* 449, 450. 458. 481–498. 503–509. 563–569——Inquiry as to whether the date of payment is fixed under the Bill; provision as to payment after the final settlement of accounts, *ib.* 542–554.

Examination respecting the position of the shareholders between the date when the County Council takes over the property and the day of settlement; explanation that the half-yearly dividends will be paid, and that any increasing dividends will be allowed for in capital value, *Harrison* 542–562——Further grounds upon which witness justifies the transfer taking place before arbitration, *ib.* 830–840.

Inability of witness to produce any precedent for the provision in the Lambeth Bill that the undertaking of the company shall be transferred on a specified day to the Council before the price has been paid or ascertained, *Cripps* 2150–2152.

Explanation that the London County Council propose in their Bills that the transfer of the undertakings shall take place before the purchase, because it may be eight or ten years before the actual sum to be paid can be ascertained; precedents for this course, *Cripps* 2329–2344. 2471–2475.

V.

Vestry Bill. Several grounds upon which the Parliamentary Committee of the County Council objected to the Vestry Bill as regards the metropolis water supply, *App.* 308–315.

W.

Waltham Holy Cross. Information as to the large supply of exceedingly pure water obtained by the East London Company from a deep well at Waltham Holy Cross, *Priest* 3850–3854. 3857, 3858—— Reference to an agreement with the East London Company for a free supply to the poorer inhabitants of the district, *ib.* 3855, 3856.

Objection to the supply of other water by the London County Council in lieu of the local well supply, *Priest* 3859–3866——Explanation that fifteen hours' pumping by the East London Company lowers the water in the well seventy feet, *ib.* 3867–3870.

Water Committee (*London County Council*). See *London County Council.*

Water Trust. Consideration of certain possible methods of forming a specially constituted water authority for London, as is the case at Accrington, Belfast, &c.; opinion that such body would not answer owing to conflicting interests, *Harrison* 1110–1125.

Advantage of a Water Trust in preference to control in the London County Council, though witness prefers placing the companies under regulation and control, *Sir J. Lubbock* 2984–2991——Desirability of the establishment of a Water Trust on which the London County Council should be represented, *Beachcroft* 3544–3552.

Wells. Disagreement with the Report of the London Water Commission in 1893 as to the possibility of largely extending the supply from wells in the Lea Valley; statement that in September 1894 the East London Company had to economise their water to the extent of 10,000,000 gallons a day owing to insufficiency of supply, *Sir J. Evans* 3777, 3778.

See also *Hertfordshire. Kent. Middlesex. Waltham Holy Cross.*

West Ham. Necessity of the West Ham and other local authorities in Essex combining in reference to control of the supply, and of their acting through the County Council in the matter, who should in the first instance purchase from the water company, *Whittingham* 3356–3360. 3365 *et seq.*

West Middlesex Water Company. Explanations respecting the powers granted to the West Middlesex Company in 1852 to supply new districts, in competition with the Lambeth and the Southwark and Vauxhall Companies; that is, conditionally upon neither of these companies not being already in possession, *Harrison* 189. 193–198. 428. 673–677.

Power given in 1894 to the West Middlesex Company to raise 500,000 *l.*, it being made compulsory on the company to utilise for additional works a sum of 60,000 *l.* which they had been accumulating; revision of the sinking fund clause, *Cripps* 1483–1488.

Statement

West Middlesex Water Company—continued.

Statement that if the West Middlesex Company were using as they ought their powers to supply three important parishes in the Lambeth district, the consumers in those parishes would have the benefit of using better water at a lower price than that which they are now receiving, *Cripps* 1881, 1882.

Statement as to the West Middlesex Company having already paid back dividends and having made some reduction in the water rate, *Sir J. Lubbock* 3092. 3098. 3105–3107. 3111.

See also *Back Dividends. Competition. Grand Junction Water Company. Middlesex. Thames, &c.*

Whittingham, Walter Baston. (Analysis of his Evidence.)—Representation on the part of the Essex County Council (witness being chairman of the Water Committee), and of the local suburban district councils, that the water supply of Essex outside London should be under an Essex authority, there being several objections to the London County Council as the authority, 3329 *et seq.*——Very large area in Essex supplied by the East London Company as compared with the area of supply in the County of London; rapid increase of population and of water supplies in the former area, 3335–3347. 3357–3359. 3365.

Apprehension lest, if the whole supply were under the London County Council, in times of drought the demands of the inside area would be first considered, to the prejudice of the outside districts, 3348——Expediency (if there be any transfer) of the transfer being direct to the Essex authority instead of a purchase and re-sale by the London County Council, 3349. 3365. 3371. 3387–3411——Disapproval by Essex of the Surrey agreement, 3350–3352.

Strong feeling in suburban Essex in favour of the municipalisation of the water supply in Essex and of direct purchase of the works and mains outside the London area; expediency of the County Council being empowered to constitute a water authority for Essex, 3353 *et seq.*——Necessity of the West Ham and other local authorities combining in reference to control of the supply and of their acting through the County Council in the matter, who should in the first instance purchase from the water company, 3356–3360. 3365 *et seq.*

Cheapness of the supply of the East London Company, as compared with that of the other London companies; hardship upon Essex in this respect if all the companies were bought up by the London County Council at the cost of the ratepayers generally, 3362–3364.

Winding up of Companies. Explanation that there is no provision in the Bills for winding up the companies, because it was thought better on the whole to leave each company to deal with their purchase money as they think fit; probability that the New River Company would not wind up, *Cripps* 2376–2395. 2458–2460.

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